



The Hyderabad Account Code

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CONTENTS

PART I—GENERAL

CHAPTER		ARTICLE
1. General Outlines of the System of Accounts	..	1
2. General Rules and Principles of Accounts with other Audit Circles	.. .. .	19

PART II—COMPILATION AND BOOKS

3. Consolidation of Accounts	.. .. .	33
4. Transfer entries	.. .. .	47
5. Journal and Ledger	.. .. .	63
6. Verification of Balances	.. .. .	80
7. Subsidiary Account of Loans and Advances	..	100
8. Pro-forma Accounts of the Public Works Department	..	114
9. Pro-forma Accounts of Irrigation Projects	..	127
10. Charitable Endowments and other Trusts	..	144
11. Check of Budget Estimates and watch over Expenditure		148

APPENDICES

	PAGE
1. Calculations of re-payments of loans by equal instalments	65
2. Calculation of interest for broken periods	71

FORMS

Nos. 1 to 12	74
INDEX	91

PREFACE

This compilation which forms a link in the chain of books which have so far been published for the proper and efficient working of the financial transactions of Government is the fourth of the series published under sanction of Government in the Finance Department.

The rules in this code describe the accounts maintained in Audit Offices and the procedure to be adopted in their maintenance. The detailed instructions embodied in this code are intended primarily for the guidance of Civil Audit Offices. The general rules and principles on which the instructions in this code are based, as well as the detailed instructions relating to accounts with other Audit Circles apply also to other Audit Offices subject to any modifications set out in their respective Account Codes issued under the orders of the competent authority.

The rules contained herein supersede all previous orders in this regard and will be strictly followed by the sections concerned.

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ACCOUNT CODE

PART I.

GENERAL.

CHAPTER 1.—GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS.

INTRODUCTORY.

1. Government in the Finance Department is the custodian of the Public Account. It is authorised to prescribe the procedure to be followed for the payment into and the withdrawal, transfer, or disbursement of moneys from the Public Account and for the custody of moneys standing in the account.

(1) The term “ the Bank ” as used in this chapter means the Imperial Bank of India or any other Bank authorised by the Government to operate on its behalf.

2. The Accountant-General determines the forms in which Treasury Officers as well as other officers who render accounts to the Audit Department should render such accounts and in which the initial accounts from which the accounts so rendered are compiled or on which they are based, should be maintained.

3. The forms in which the accounts should be kept in Audit Offices are prescribed by the Accountant-General.

4. Important changes in the prescribed forms and procedure should be referred to the Accountant-General. All returns, accounts and statements required by the Accountant General should invariably be prepared in the forms prescribed by him.

5. The following are in brief the general outlines of the system of the accounts of the Government.

(a) All receipts on behalf of Government are paid into a Treasury or where specifically permitted by rules, into a Bank. The initial accounts of such receipts are maintained at the Treasury or at the Bank, as the case may be.

5b-7(1)] General Outlines of the [Chapter 1 System of Accounts

(b) Payments on behalf of Government are made either at a Treasury or a Bank ; or sums are withdrawn in lump from a Treasury, by some departmental officer for making payments (See Article 309 of the Audit Code). In the former case the initial accounts of payments are kept at the Treasury. In the latter case such accounts are maintained by the departmental officer concerned.

(1) The accounts referred to in this clause do not relate to the accounts maintained by Government servants in respect of expenditure incurred from permanent advances. (See Article 121, Hyderabad Financial and Account Code).

(c) The Treasury Officers as well as the departmental officers referred to in clause (b) render the accounts of their transactions to the Audit Office. Departmental officers who keep stores, similarly render the accounts of their stores to the Audit Office if arrangements for the Audit of such store accounts by the Audit Department have been made.

(d) Classified abstracts are prepared by the Treasuries and forwarded to the Audit Office. Some departmental officers are however, required to render compiled accounts with suitable abstracts of their transactions classified under heads of accounts. In both the cases, the accuracy of these abstracts is checked in the Audit Office.

(e) The classified abstracts referred to in clause (d) together with transactions passed on for adjustment by one Audit Office to another *vide* Article (6) are consolidated, month by month, into one account for the whole State.

(1) The financial year of His Exalted Highness' Government runs from the 1st of Azar to the 30th Aban (both days inclusive) and the accounts of a year embrace the transactions pertaining to one complete year.

6. Transactions in one Audit Office which affect the accounts of another Audit Office are passed on, month by month, to such office for adjustment, under the rules in Chapter 3.

GENERAL DUTIES OF AUDIT OFFICERS.

7. Thus the main duties of an Audit Officer as an accounting officer are :—

(1) to collect accounts of all the receipts and disbursements.

Chapter 1] General Outlines of the System of Accounts

[7(2)-9 (4)

(2) to transfer to other Audit unit items pertaining to them which originate in his unit, and adjust in his accounts the item transferred to him by other unit.

(3) to make up a monthly detailed account for his Audit unit and forward it to the compilation branch so as to enable it to compile one account for the whole State.

8. Though not necessarily taking a personal part in the compilation of his accounts, each Audit Officer is responsible for the accuracy and efficient working of the numerous processes of which that account is the outcome. He is charged with the administration of those numerous matters in respect of which Government is debtor or creditor ; and it is his duty to see that proper accounts are kept of all those transactions and that due measures are taken for their adjustment. It is also his duty to see that the accounts passed on by other Audit Officer for adjustment are promptly cleared.

Books.

9. Every officer-in-charge of an office of account is responsible for maintaining books to exhibit the transactions which pass into his Accounts under the following classes of heads :—

(1) *Revenue and Service Heads*.—These deal with proceeds of taxation and other receipts classed as revenue, and the expenditure therefrom. Expenditure of a Capital nature met from revenue falls under (2) below.

(2) *Capital Heads*.—These deal with expenditure met usually from funds allotted for Capital Expenditure, such expenditure being incurred with the object either of increasing concrete assets of a material character, or of reducing recurring liabilities, such as those for further pensions by payment of the capitalised value ; they also include final receipts of a Capital nature intended to be applied as a set-off to Capital Expenditure.

(3) *Debt Heads*.—These comprise receipts and payments in respect of which Government becomes liable to repay the moneys received or has claim to recover the amounts paid, together with repayments of the former and the recoveries of the latter.

(4) *Remittance Heads*.—These embrace all adjusting heads under which appear all cash remittances from one

10-14] General outlines of the [Chapter 1 System of Accounts

Treasury to another, besides those which are necessary to accommodate items in transit between different units of the accounts department. Credits and debits taken to these heads in the first instance are cleared eventually by adjustment under final heads.

10. No entries may pass into these books which have not first appeared in one of the regular monthly accounts, except :—

1. The ordinary opening and closing entries.

2. Such corrections made after the despatch of the final Accounts for Aban as have been sanctioned by the Accountant-General.

11. The detailed instructions for Audit Offices in regard to the maintenance of these books are given in Chapter (5).

12. The Compilation Branch maintains journal and ledger which are posted from the final accounts of each year and from such journal entries as may be sanctioned by the Accountant-General under Article (10). The exchange accounts are each posted from the accounts of both the original and responding officers and are closed to balance.

13. No amounts may be written-off from balanced heads to "Government," without a specific order of the Accountant-General and then only on the ground that the error is one of book-keeping only. Such amounts should not be debited or credited to a service head as loss or gain to Government.

1. These writes-off are shown in a separate entry (under the head "Government") in the annual reviews of balances referred to in Articles (14) and (15).

14. Each Audit Officer is responsible for maintaining, either in his own office or in the office of some officer rendering accounts to him, the details of the amounts due to or by Government, working up to the balances on his own books. He is further responsible for reviewing these balances in the manner laid down in Chapter (6), at the end of each year and for submitting a copy of his review to the Accountant-General.

1. Reports on balances of remittance heads are also sent to the Accountant-General.

Chapter 1] General outlines of the System of Accounts

[15-18

15. The Accountant-General after closing the books draws up a report :—

(1) Agreeing the technical record of the books with the published Accounts.

(2) Reviewing and summarising the reports of the Audit Officers in respect of balances of debt heads.

PRO-FORMA ACCOUNTS.

16. As explained in Article (106) of the Audit Code, the Government system of accounts is not suitable for undertakings of a quasi-commercial character of which it is necessary to determine the financial results or the profit or loss. In such cases, these accounts are kept on a Pro-forma basis. Rules pertaining to the capital and revenue accounts of Government residences and of administrative accounts of Irrigation works are given in Chapters (8) and (9). The general rules relating to Pro-forma accounts of the Public Works Department are given in Chapter (21) of the Hyderabad Public Works Account Code. In cases where no detailed instructions exist for maintaining any class of Pro-forma accounts, the detailed rules required for the purpose should be framed by the Audit Officer with the approval of the Accountant-General.

NEW RETURNS.

17. No requisition for submission to an Audit Office of new account returns should be issued by the Audit Officer without reference to the Accountant-General.

MISCELLANEOUS.

18. All communications on matters affecting the classification of receipts and charges, and on forms and procedure relating to accounts should always be addressed to the Accountant-General.

CHAPTER 2.—GENERAL RULES AND PRINCIPLES OF ACCOUNTS WITH OTHER AUDIT CIRCLES.

INTRODUCTORY.

19. The rules regulating the conditions under which one administration or department may transfer any receipts or expenditure to another for adjustment in its books are given in Articles 135 to 139 of the Hyderabad Financial and Account Code, Volume I and Appendices IV and X of the Hyderabad Financial and Account Code, Volume II, and Article 136 of the Audit Code.

20. Such transfer is effected (i) by classifying the transactions under the relevant head of account as given in Appendix XVI of the Hyderabad Financial and Account Code, Vol. II and (ii) by sending an account of the transactions to the other party for incorporation in his own accounts as prescribed in Appendices IV and X of the Hyderabad Financial and Account Code, Vol. II.

21. The accounts referred to in Article (20) (ii) above are of two kinds :—

(a) Those which can be settled only by actual recovery of the net debit or payment of the net credit, *e.g.*, with Accountant-General Central Revenue and Sarf-i-Khas Mubarak.

(b) Those in which no actual recovery or payment is required, *e.g.*, with departments whose accounts come within the same system of account. In such cases debits by A to B are set against the credits by B to A in the books of the Accountant-General.

INTER-DEPARTMENTAL ADJUSTMENTS.

22. In cases of service rendered or stores supplied by one department to another for which adjustment in account is permitted, the serving department should take credit in its accounts by debit to the department served. The debit should at once be accepted in the account of the latter and adjusted to its proper head of account.

Chapter 2] General Rules and Principles [23-25 of Accounts with other Audit Circles

23. Railway debits for amounts due on warrants and credit notes should be accepted in full in the accounts of the month in which they are raised, in the Railway Accounts, without reference to the issuing officers whose signature on such warrants or notes should be taken as final, subject only to readjustment, later on, of under or overcharges. The responding officer is not responsible for the correctness of the charges with reference to the railway tariffs but only for proper scrutiny with reference to the propriety of the charges as against the head of the service concerned ; the calculations made by the Railway department, which are test-checked by the Government Railway Auditor, should be accepted as correct.

24. A responding debit or credit (*vide* Rule 1 below) should not, ordinarily appear in accounts, in anticipation of the original credit or debit in the accounts of the other party. But the Audit Officers may arrange in respect of any particular class of transactions, to afford credit in advance of the debit or vice versa, care being taken to prevent double adjustments. Debits on account of rent realised, on behalf of the Public Works Department by disbursing or Audit Officers of other circle of audit, may be raised in anticipation of the corresponding credits, provided that they are supported by certificates in the Hyderabad Public Works Account Code Form 48 (Statement of Rents recoverable from Pay Bills) signed by those officers.

1. An original entry is one in connection with which cash is either received or paid or for which a transfer adjustment is made on account of stores or labour supplied, and may also be a write-back. A responding entry is a response to an original entry and may also be a write-back.

25. When a charge is paid in one department, and passed on in account current to be adjusted in another, the paying department is responsible that it obtains a voucher which is correct in point of form, and sets forth the charge with sufficient detail, and clearness, and that the calculations in the bill are arithmetically correct. The Audit Officer of the adjusting department is responsible for auditing the charge to ensure (1) that it is a proper charge against a work, office, or other item of expenditure under his audit, and (2) that it has been duly sanctioned.

(i) Under mutual agreement between His Exalted Highness' Government and the Government of India

26-28] General Rules and Principles [Chapter 2 of Accounts with other Audit Circles

debts on account of pensionary charges may be passed on through the Exchange Account without supporting vouchers and details, the audit of such charges being conducted in full by the Audit Officer of the Government in which the pensions are paid.

(ii) When a Government servant is lent by one Government to another, his transit pay on reversion to the lending Government is audited by the Audit Officer of the lending Government, though the charge is adjustable on the books of the Audit Officer of the borrowing Government.

26. The adjusting department may not reject an item because the voucher is not in order, or wanting; it should be accepted and adjusted but placed under objection. The chief question, for the auditor is: Does the entry properly belong to the accounts of this office? and if, on the face of the account he cannot say that the item is not adjustable in his books, he will accept it and adjust it against the proper service head; though if it be imperfectly vouched or described, or seem rather to belong to another Government he will enter it in the outgoing objection Statement, or, if necessary, address the disbursing officer direct.

27. If, as in the case of supplies received from another department, the admissibility of the item depends upon the authority possessed by the officer at whose instance the supplies have been received, to order the supplies, the charge, though adjusted against its proper service head as one which has actually occurred, should be examined with reference to the authority or sanction required, and, if necessary, placed under objection in the same way as if the charge had been met by an actual payment by the officer concerned.

ACCOUNT CURRENT.

General.

28. An Account Current purports to be an extract from the books of the officer who despatches it, and to show the amounts he has passed to debit or credit of the other party to the account, with any necessary explanations of the credits, and with documents supporting the debits.

Chapter 2] General Rules and Principles [29-32 of Accounts with other Audit Circles

29. The following is a list of authorised Accounts Current :—

Accounts Current between	Hyderabad Government and the Government of India.	Accountant-General, Hyder- abad and the Accountant- General, Central Revenue.
Do	Hyderabad Government and Sarf-e-Khas Mubarak	Accountant-General, Hyder- abad and the Acctt.-Genl., Sarf-e-Khas Mubarak.

WATCHING OF ADJUSTMENTS.

30. Both Audit Officers, between whom an account is exchanged, are equally responsible for clearance of each item passing through it and both should keep a watch over the progress of adjustment on the plan prescribed in Article (21). Objections should be intimated by one party to the other in the manner laid down in Article (31).

OBJECTIONS.

31. Every item which is not finally disposed of will be entered in an Objection Statement and Objection Book, the former being similar in form to that prescribed in Chapter 42 of the Audit Code, but it will contain only four money columns for items under objection, *viz.*, for debits and credits under the two heads "Items accepted but awaiting clearance," and "Items rejected." A Check Number Book similar to that prescribed in Article 612 of the Audit Code, should be maintained to show the issue, return and disposal.

32. A consolidated list should be prepared of all the items remaining unsettled for more than six months. In this list should be shown a summary of all the correspondence which has been conducted with reference to each item. This list should be submitted to the Gazetted Officer not less frequently than once a month.

PART II.

COMPILATION AND BOOKS.

CHAPTER 3.—CONSOLIDATION OF ACCOUNTS.

INTRODUCTORY.

33. The Compilation Branch receives the following accounts in the form of classified Abstracts. These are described in their respective chapters of the Hyderabad Audit Code :—

1. Classified Abstract of Pre-audit payments at Headquarters (Balda).

2. Pre-audit and post audit classified abstracts of Bank transactions.

3. Classified Abstract of the Central Treasury transactions.

4. District Treasuries' Cash Accounts (Goshwaras).

5. Departmental cash accounts.

6. Classified Abstract of Transfer Entries and Book Adjustments.

The procedure for their consolidation is detailed in the following rules.

DETAIL BOOK.

Form and Method of Posting.

34. Particulars relating to Service and Debt Heads transactions appearing in the District Treasuries, Cash Accounts and in the Departmental and other abstracts are collected for the whole State under each head of account from month to month in a Detail Book.

35. The Detail Book Form (1) is arranged in vertical columns, of which the first column on each folio or page shows the name of the district or of the Departmental or other Abstract, and the remaining columns, the entries which appear in that abstract under each head of account.

Chapter 3] Consolidation of Accounts [36-41

The Detail Books will be so arranged as to provide sufficient space for the consecutive entry of twelve months' transactions; that is, each set or sets of heads of account should be interleaved by as many pages as are necessary for recording the transactions of the whole year from Azoor to Aban (final).

36. The Detail Books will be maintained by Major Heads and when completed will present for the whole State, the figures for each month under the various detailed heads of Revenue, Service and Debt heads of account.

37. The Detail Books should be neatly bound in volumes according to requirements. The word "Receipts" or "Payments" as the case may be, should be written conspicuously on the title page.

CHECKING.

38. When the postings under each Major Head have been completed, the detailed items should be independently cast up across the page to the total column of the Detail Book, without reference to the total of the Cash Account or the Departmental or other Abstract. The grand totals of each Major Head of receipts and disbursements of the Detail Book should be agreed with the entries in the Abstract of Major Head totals.

CLOSING THE DETAIL BOOK.

39. The due date for closing the Detail Book is the 10th of the 2nd month to which the accounts relate.

CONSOLIDATED ABSTRACT.

Form and Posting.

40. The next process is the preparation, in Form 2 of the Consolidated Abstract. Columns are provided for showing the totals, month by month, under each Major Head and subheads thereof. Every head of account for which a column is provided in the Detail Book must also appear in the Consolidated Abstract, and against it will be entered the total of the month's entries as there recorded.

41. As the transfers of each month are posted in the Detail Books without reference to the amount of the month's transactions under the detailed heads concerned, the result may be a minus entry which will pass in red ink into the Consolidated Abstract and reduce the total of the subhead.

42-45] Consolidation of Accounts [Chapter 3

It may sometimes happen that the minus entry under a detailed head is so large as to exceed the aggregate of the plus entries for the current month under the other detailed heads. In this case the net entry for the subhead also will be a minus one in red ink, in the Consolidated Abstract. In exceptional cases, minus entries under a Minor or Major Head may appear in any month.

ABSTRACT OF MAJOR HEAD TOTALS.

42. An abstract of Major Head totals will be prepared in the same forms and in the same manner as the Detail Book and the Consolidated Abstract, showing the total receipts and disbursements by Major Heads will be consolidated month by month. The totals of the receipts and payments will then be checked against the statement of Disbursers' Accounts.

ABAN ACCOUNTS.

43. The accounts for Aban as first prepared are only preliminary records, as the books remain open for adjustments and transfers until 30th Jsfandar when the final accounts for Aban are made up. The figures for Aban final should be completed by 10th Farwardi. As the final accounts may be corrected by subsequent entries, their preparation should not be delayed merely by reason of their not being absolutely complete, but every endeavour should be made to incorporate in them all adjustments and corrections that can possibly be made by the date of completion. The Accounts for the other months, including the preliminary accounts for Aban must be completed, carefully checked and signed, punctually on or before the 20th of the 2nd month.

44. Correcting or additional entries made after the completion of the final Aban account can be incorporated up to 10th of Khurda, after which no entries will be permitted.

45. The Accounts are kept open so that as far as possible, all the transactions of the year may be entered in the accounts of the year, but it is not essential that transactions relating to earlier years should be booked in the accounts of the latest year which are still open. If it is impossible to have any expenditure booked in the accounts of the year to which it relates, owing to the fact that the actual incidence of the expenditure is under

dispute, it ought to be charged to the accounts of the year in which the final decision is taken, though at the same time, all possible efforts should be made to expedite the decision as far as possible.

Adjustments should not be made in the accounts of the past year if the disbursements could not have been reasonably anticipated in time for a grant being obtained from the proper authorities. In all cases, where the expenditure could have reasonably been anticipated as for example, recurring payments from one *Ilaqa* or department to another and payments which, though not of fixed amount, are of a fixed character, etc., the adjustments will automatically be made in the accounts before they are finally closed.

PROHIBITION OF ALTERATIONS.

46. (a) No alteration can be made in the Detail Book, Departmental Classified Abstracts or Consolidated Abstracts of any month after they have been closed. When errors are discovered in the same year, involving a correction by transfer of amounts from one detailed column to another under the same head, or from one head to another, the necessary corrections should be made by a formal entry (see Chapter 4 of this Code).

(b) But if the amount involved does not exceed ten rupees and affects only revenue or service heads affecting the same Department, no formal transfer entry is necessary and it is sufficient simply to make a note of the error against the original entry; but if such correction does affect the Savings of the Department, a formal transfer entry will be necessary irrespective of the amount involved.

Note.—Corrections between detailed heads under the same Minor Heads do not require to be made by formal transfer entry, such corrections being made by plus and minus entries against the heads affected.

CHAPTER 4.—TRANSFER ENTRIES.

OBJECT OF TRANSFER.

47. Transfer entries, that is, entries intended to transfer an item from one head of account to another are necessary :—

(a) In order to correct an error of classification in the original accounts.

(1) Sometimes it is more convenient to classify items pertaining to more than one head of account under a single head of account in the first instance than to classify them under each head of account from the beginning ; for example, when a definite proportion of receipt or charge is taken to a separate head, it is often convenient to neglect the distribution in the Classified Abstracts, and to make it upon the totals of the Detail Book.

(b) In order to adjust by debit or credit to its proper head, an item outstanding under a Debt Head ;

(c) In order to adjust interdepartmental and other transactions which do not involve the receipt or payment of cash.

GENERAL RULES.

48. On one of the sides of every transfer entry there should be only one head which may be debited by credit to sundry heads or vice versa ; debits may not be taken against *sundry* heads by credit to *sundry* heads. A *fortiori*, the same entry may not contain independent corrections of two heads ; it may not debit A by credit to B, and again C by credit to D.

In a transfer entry all particulars to explain both the nature of the adjustment and (if it is a corrective transfer) the grounds of corrections must be clearly stated.

49. A list of adjustments which have to be made periodically should be maintained in order to ensure that

they are regularly made. A list of such adjustments is given as an annexure to this chapter. Unforeseen adjustments should however, be made as soon as the necessity for them arises.

50. Annual transfers should, as a rule be avoided. They are, however, allowed in the cases noted below :—

- (a) On account of lapsed bills and lapsed deposits.
- (b) On account of the charges for interest on Capital Expenditure of all Commercial Departments or part of a Department placed on commercial basis.
- (c) On account of interest on Service Funds.
- (d) On account of interest on Savings Bank Deposits, and Depreciation Reserve Funds of Commercial Departments and Undertakings.
- (e) On account of transfer to the Famine Insurance Reserve of the Famine Relief Assignment of the year.
- (f) On account of sums payable by one Department or Ilāqa to another where it is agreed that the whole amount will be paid in a lumpsum.
- (g) On account of joint establishment or on account of transactions where a fixed distribution of cost between two or more heads is prescribed and where it has been decided that such distribution should be made annually.

CORRECTION OF ACCOUNTS.

51. (a) If an item which properly belongs to a revenue or service head is wrongly classified under another revenue or service head, the error may be corrected at any time before the accounts of the year are closed in the manner directed in Article 46, but after the accounts are closed no correction is admissible, it being sufficient to make a suitable note of the error against the original entry. If, however, the error effects a capital head outside the Revenue Account or the transactions of a Commercial Department, it should be corrected by transfer in all cases as soon as the error is discovered. The procedure to be observed for the correction of errors in the accounts of works in the Public Works Department is laid down in paragraphs 375 and 578 of the Hyderabad Public Works Account Code.

(b) An error which effects a debt or remittance head must be corrected by transfer, however old and however small it may be. If the accounts of the year in which the error took place are not closed, the correction should be made by removing the item from the head under which it was originally taken to that to which it properly belongs. If the accounts of the year in which the error took place are closed, the following procedure should be followed in the cases referred to :—

(1) Item taken to one debt or remittance head instead of another,—the correction will be made by transferring it from the one to the other.

(2) Item credited to a debt or remittance head instead of to a revenue head,—the correction should be made by debiting the debt or remittance head concerned and crediting the proper revenue head.

(3) Item debited to a debt or remittance head instead of to a service head,—the correction should be made by crediting the debt or remittance head concerned, and debiting 'Refunds' under the head concerned.

(4) Item credited to a revenue head instead of to a debt or remittance head,—correction should be made by debiting refunds under the revenue head concerned and crediting the proper head.

(5) Item debited to a service head instead of to a debt or remittance head,—correction should be made by debiting the proper head and crediting as miscellaneous receipts under the service head concerned.

OUTLINE OF PROCEDURE.

52. A correction by a transfer entry may be proposed by any section of the office; and should be accepted by the other section concerned, if necessary particulars are furnished. If there is anything objectionable in the entry, or if it is not prepared in the proper form, the section receiving it may require the entry to be passed by a Gazetted Officer. Original vouchers and other documents in support of the entry should be recorded in the section which originally dealt with them and not sent to the other section concerned along with the transfer entry.

1. Any delay on the part of the receiving section in taking over such entries should be reported by the section concerned to the Gazetted Officer in charge.

53. (a) The addition or deduction which should be posted in Departmental Abstracts or the Detail Books on account of the transfer entries should be worked out from the separate transfer entries of all sections in accordance with the procedure described in the succeeding articles. This consists mainly of an abstract showing the debits and credits to be made under each detailed head affected by the entries of the month, the totals of the debits and credits of the month being necessarily equal.

(b) In the case of revenue and service heads, it is the net outcome of the transfer entries against each, *i.e.*, the balance of the head in the combined ledger and abstract, which appears as a debit or credit in the abstract; but in the case of debt or remittance heads, the gross credit and the gross debit will both appear in the abstract the former in the receipt part, the latter in the disbursement part, as these heads have corresponding accounts on both sides.

(1) When large transfers are made from one debt head to another, in order to correct the original classification in accounts the correction should, wherever possible, be made by a deduct entry against the original debit or credit, so as to prevent exaggeration of the transactions in the accounts.

54. A transfer entry number book should be maintained in each audit or accounts section in which should be entered in brief but clear detail the particulars of each transfer originating in that section as well as that received from other sections. The entries proposed by the several sections should be numbered serially. The entry received from another section will also be numbered serially. The Superintendent of the receiving section will initial the Transfer Entry Number Book in token of having received the Transfer Entry and found it in order. He will see that the Transfer Entry has been drawn up according to rule and that it bears the initials of Superintendent of the originating section. The book should be submitted monthly to the Superintendent and the Gazetted Officer for scrutiny, which will mainly consist in seeing that the entries recorded therein have been duly taken over by the receiving section. It will also assist the Gazetted Officer to gauge the general efficiency of the check of classification in the section and will enable him to ascertain the number of Transfer Entries necessitated by the mistakes of the Audit Office and to take steps to avoid their recurrence.

DETAILED PROCEDURE AND POSTING.

55. As soon as any correction or adjustment becomes necessary the section which proposes it should prepare a separate entry, in Form (3) and enter it in the Transfer Entry Number Book Form 4. *

56. After obtaining the signature of the Superintendent of the receiving section, the clerk or messenger of the originating section will make over entry to the clerk of the receiving section who, on the authority of that signature will proceed to bring it on his Transfer Entry file and assign a number to the entry. The requisite entries in the Combined Transfer Ledger and Abstract Form (5) should then be made and certified in the proper spaces of the entry, and thereafter the entry itself should be filed in continuation of those already received.

Note.—The Superintendent should keep up a constant comparison of the original entries made in the file with those posted in the Combined Transfer Ledger and Abstract in order to prevent the clerk in charge from marking off an item which he has not posted.

57. A Combined Transfer Ledger and Abstract will be kept in Form (5). The Royal paper generally used for Departmental Abstracts should be used for this form. Sufficient space should be allowed in the form for each head under which transfers are expected. The forms with the requisite heads printed therein should be bound into convenient and handy volumes, at the beginning of the year, before being brought into use.

58. The Transfer Entries, after being noted will be posted individually into the columns of combined Transfer Ledger and Abstract, against the respective heads affected. The columns for "Number" of the entry and the "District or Department" which provides for name of the district or department in whose accounts the original error appeared, should be filled in at the same time.

59. If the space provided for a head be insufficient, a note in the margin will carry the eye to the place where the entries are continued, which may, with convenience, be after all the usual heads; but a little foresight would avoid this necessity. Similarly, if a transfer be made under a head not commonly affected, and therefore not provided for, a note in the margin below the last preceding head will refer the poster to the place where it will be found.

60. From the Combined Transfer Ledger and Abstract, the figures will be posted under appropriate heads in the Detail Book.

61. Corrections affecting accounts relating to revenue and service heads should be noted with plus or minus sign, as the case may be, in red ink, against the account below the original entry under the head concerned in the Departmental Abstract of the month in which the error occurred. The net result of such transfers for the month against an account should also be noted in red ink below the total of the month's figure. Transfers affecting a debt head will be made by new entries in the month of correction and need not be noted against the original entry. In the case of important transfers, however it would be well to note in red ink, across the original entry in the Detail Book, the month of its reversal and across the correcting entry, the month of the original one.

CLOSING OF THE COMBINED TRANSFER LEDGER AND ABSTRACT.

62. The Combined Transfer Ledger and Abstract will be closed by totalling the figures in columns 1 and 2 and also in columns 6 and 7, which should be equal. After the Combined Transfer Ledger and Abstract is proved by the agreement between the totals of these columns, an Abstract should be drawn up. So far as the revenue and service heads are concerned, the figures in columns 6 and 7 need not be entered in the Abstract, and it would suffice if the net result in column 8 is posted as a plus or minus entry as the case may be. But the figures of columns 1 and 2 will be posted as they are. The entries relating to debt heads in columns 6 and 7 will also be similarly posted, and there will be no entry made in column 8. The Abstract will then be forwarded to the Compilation Branch for being posted in the Detail Book. .

ANNEXURE.

Following is the list of transactions whose adjustments are effected periodically.

[Statement.

LIST OF PERIODICAL ADJUSTMENTS.

(See Article 49).

RECEIPTS.

Sl. No.	Heads and Items	Nature and specification of adjustment	Period	Branch responsible for the preparation of the statement
1	2	3	4	5
1	Major Head (I) A. Land Revenue. Receipts on account of Jagir Survey and sale of Maps. Cess, attached villages .. Do refunds ..	Deduction from the Receipt and Expenditure. do do do do do do	Annual-ly. do do do	Compilation. do do do
2	Major Head II. Forest refunds.	do do	do	do
3	Do III. Customs .. (6) Refunds (a) City and Secunderabad (b) Districts (8) (a) Expenditure of the City and Secunderabad Customs Houses. (b) 75 per cent. share of Sarfi-Khas Mubarak.	do do do do Deduct from this head and add to Sarfi-Khas Remittance (Provided the amount payable in any case should not be less than Rs. 11,76,323).	do do do	do do do
	(c) $\frac{1}{10}$ Expenses of Direction	Vide F.D. Letter No. 789, D/7th Amerdad 1826 F.)		
	(d) $\frac{1}{10}$ Audit Establishment			
4	IV-A. Excise (5) Refunds (a) Divani (b) Residency	Deduct from Receipt and Expenditure do do	Annual-ly. do	Audit Section concerned. Audit Section concerned in agreement with Amanat Section
5	Opium and Ganja (1) Import duty on opium. Do Minor Head (2) Sub-head (1) Cost of Opium (a) City and Districts ..	Transfer from Minor Head (3) Sub-head (4) under this Major Head. Deduct from Receipt and Expenditure.	do do	Amanat Section. Audit Section.
	(b) Secunderabad and Bolaram.	Deduct from Receipt and Expenditure.		Concerned in agreement with Amanat Section.
	4. (b) Opium and Ganja Minor Head (2) Sub-head (2) License Fees.			

LIST OF PERIODICAL ADJUSTMENTS.

(See Article 49).

RECEIPTS.

Sl. No.	Heads and Items	Nature and specification of adjustment	Period	Branch responsible for the preparation of the statement
1	2	3	4	5
	(a) City and Districts ..	Deduct from Receipt and expenditure.	Annual-ly.	Audit Section.
	(b) Secunderabad and Bolarum.	Deduct from Receipt and expenditure.		Audit Section concerned in agreement with Amanat Section.
	Do Minor Head (a) and Sub-head (4). Import duty and Compensation Secunderabad and Bolarum.	As specified above in connection with import duty. The amount of Sec'bad and Bolarum compensation is to be deducted from the Receipts and added to Sarf-i-Khas Remittance.	do	Amanat Section in agreement with the Audit Section concerned.
	Do Minor Head (4) Ganja Compensation.	Deduct from Receipt and expenditure (add to Receipt and expenditure).	do	Amanat Section.
6	Major Head V-A. Stamps (7) Share of verified Stamps	Add from Major Head XII Post Office (1) Sale of post stamps (as per five years average).	do	Compilation.
	Do (9) (a) Refunds ..	Deduct from Receipt and Expenditure.		
	Do (b) (90) per cent. of Process service.	to be added to P. Deposits not bearing interest 15 Process Service Fund.		Compilation.
	Do (c) 1/12 Sarf-i-Khas Share.	do to Sarf-i-Khas Remittance.	do	Compilation. (Net 1/12 share of receipt of stamp).
7	Major Head V-B. Registration Refunds.	Deduct from Receipt and Expenditure.	do	Audit Section concerned and Compilation.
	Do Fees to Registrars, etc.	do do ..	do	do
8	Major Head VI. Mines Refunds.	do do ..	do	do
9	Major Head VIII—A. Interest, Interest on Paper Currency Reserve.	Transfer to Major Head X, Paper Currency.	do	Compilation in agreement with Bank and Currency Sections.
	Do Interest on Reserves.	Transfer to N. Reserves. ..	do	Compilation.
10	Major Head XII. Post Office (1) Sale of Stamps (a) Sale Commission.	Deduct from Receipt and Expenditure.	do	Post Section in agreement with Compilation.
	Do 3 Bearing Letters, Transfers to Dead Letter Office and British Post Office.	do do ..	do	Post Section in agreement with Compilation.
	Do Compensation for loss of Insured articles.	do do ..	do	do
	Do Refunds ..	do do ..	do	Audit Section concerned in agreement with compilation.

LIST OF PERIODICAL ADJUSTMENTS.

(See Article 49).

RECEIPTS.

Sl. No.	Heads and Items	Nature and specification of adjustment	Period	Branch responsible for the preparation of the statement
1	2	3	4	5
11	Major Head XIV. General Administration and XV. Political.	Departmental receipts to be deducted from both the Receipts and Expenditure.	Annually.	Compilation.
12	Major Head XVI. Pensions (a) Contribution.	Debitable to the heads concerned and creditable to this Major Head.	do	Audit Sections concerned and Amanat Section.
	1. From Sarf-i-Khas Revenue Judicial Customs.	do do	do	Amanat Section in agreement with Audit Section concerned.
	2. Residency Excise Establishment.	do do	do	Audit Section concerned in agreement with Amanat Section.
	3. Regarding establishment Process Service.	do do	do	Compilation.
	Total receipts of Pension contribution.	Deduct from Receipts and Expenditure.	do	
13	Major Heads XVII to XXXI Receipts.	Departmental receipts to be deducted from both the Receipts and Expenditure.	do	do
14	Major Head XXXIX Development. Moiety payments to His Exalted Highness.	To be added to Sarf-i-Khas Remittance.	do	Compilation in agreement with Audit Sections concerned.
15	Major Head XL. Famine ..	Transfer from Famine Reserve.	do	Compilation in agreement with Famine Section

LIST OF PERIODICAL ADJUSTMENTS.

(See Article 49).

EXPENDITURE.

Sl. No.	Heads and Items	Nature and specification of adjustment	Period	Branch responsible for the preparation of the statement
1	2	3	4	5
1	Major Head I A. Land Revenue. (a) District Administration Expenditure of Gulbarga, Osmanabad, Beed and Shorapur Divisions.	Debitable to Sarf-i-Khas Remittance.	Annually.	Audit Section in agreement with Audit Section concerned.
2	Major Head III. Customs .. (a) Inspector-General 1/10 Inspection charges.	do do	do	Compilation and Sarf-i-Khas.
3	Major Head IV-A Excise .. (a) Commissioner-Portion of the Directorate transferred to Major Head Opium. Do (b) Balda and Districts, Talukdars salary. Do charges of establishment debitable to Sarf-i-Khas Ilaka. Do Distilleries chargeable to Residency.	To be added to Major Head IV-B Opium through transfer entry. To be added through transfer entry to Major Head IV-A Excise (c) Secunderabad and Bolaram. To be added to Sarf-i-Khas Remittance. To be added to IV-A (b). Balda and Districts.	do do do do	Audit Section in agreement with Compilation. do Audit Section in agreement with Audit Section concerned. Audit Section in agreement with Compilation. Compilation.
4	Major Head V-A. Stamps 1/12 share of expenditure.	Debitable to Sarf-i-Khas Remittance.	do	
5	Major Head V-A. Stamps (1) Inspector-General.	Moiety chargeable to Major Head V. B. Registration.		
6	Major Head VIII-B. Redemption of Debt.	Provision under this head to be credited, by book adjustment, to Debt Redemption Reserve under N. Reserves.	Annually on 15th Azur.	Compilation.
7	Major Head IX-Mint amount transferable.	To be added through transfer entry to V-A. Stamps and IX-C Weights and Measures.	Annually	Mint Audit Section and Compilation
8	Major Head IX. Mint Minor Head B. Stamp Manufacture.	To be added through transfer entry to Major Head V-A. Stamps.	do	Compilation and Mint Audit.
9	Major Head XIII. Payment to His Exalted Highness	To be added through transfer entry to Sarf-i-Khas Remittance.	do	Audit Sections concerned.
10	Major Head XIV. 4-A. Financial Secretariat portion of Railway Secretariat Expenditure.	To be added through transfer entry to Major Head XXXIII. Railway.	do on 15th Azur.	do.

LIST OF PERIODICAL ADJUSTMENT

(See Article 49).

EXPENDITURE.

Sl. No.	Heads and Items	Nature and specification of adjustment	Period	Branch responsible for the preparation of the statement
1	2	3	4	5
11	Major Head XIV. General Administration Minor Head Accounts Audit and Treasuries (a) A-G.'s Office (1) Portion of Expenditure recoverable from Sarf-i-Khas. (2) Portion of Expenditure to be transferred to Major Head XVII. Life Insurance	To be added to Sarf-i-Khas Remittance. To be added to Major Head XVII. Life Insurance.	Annual-ly. do do	Audit Sections concerned. do Audit Section Concerned in agreement with Life Insurance Branch.
12	Major Head XVI. Pensions	Adjustments by debit to departments.	do	Compilation in agreement with Amanat.
13	Major Head XX. Courts Expenditure of Process Service.	Adjustment by debit to Debt Heads P. Deposits not bearing interest (15) Process Service Fund.	Annual-ly.	Audit Section concerned in agreement with Amanat.
14	Major Head XX. Courts Examination.	Deduction from Receipts and Expenditure.	do	Audit Section concerned in agreement with Compilation.
15	Major Head XXII. Police Expenditure of Process Service.	do do	do	do
16	Major Head XXIII. Education, Middle Schools. (1) Moiety charges of Golconda school and (2) Mansabdars Schools Rs. 5,000.	Adjustment by Debit to Remittances to Sarf-i-Khas.	do	Audit Section concerned.
17	Major Head XXIII. Special Schools (30) Jagirdars' School.	Adjustment by debit to P. Deposits not bearing interest (19) Jagirdars' School.	Annual-ly.	
18	Major Head XXIV. Medicine (A) Allopathic (B) Hospitals, Dispensaries and Stores: Expenditure of Mint Hospital.	Adjustment of share of expenditure through transfer entry debit to Major Heads (Mint, Workshops and Electricity).	do	Audit Section and Mint Audit.
19	Major Head XL. (B) Transfer to Famine Reserve.	Transferred to Famine Insurance Fund Reserve under N. Reserves.	do	Compilation.
20	Major Head XXXI. Buildings and Communications	Receipts transferred by deduct entry.	do	do
21	Major Head XXXII. Irrigation Portion. P.W.D. and Irrigation of Secretary's salary.	Adjustment by debit to Major Head XIV. General Administration (4) Secretaries (5) P.W. and Irrigation Secretariat.	do	P. W. Audit and Compilation.
22	Major Head XXXIII. Railways (1) Audit contribution.	Deduct from Receipt and Expenditure.	do	Bank Section and Compilation.

CHAPTER 5.—JOURNAL AND LEDGER.

• FORMS.

63. The form of the Journal is Form (6). The Ledger forms are (7) and (8), the former for Debt and Remittance Heads which are closed to balance, the latter for Revenue, Service, Capital and Remittance Heads which are closed to Government. The entries in the Journal and Ledger shall be arranged as shown in Annexure to this chapter.

HEADS.

64. The accounts to be opened on the Ledger may be classified as follows :—

(1) Opening and Closing Heads, *viz.*, Government General Revenue Account, Grant Account, Balance.

(2) Revenue Receipts

(3) Service Expenditure.

Being the total of the transactions under Revenue and Service Heads as per list of Major Heads given in Appendix 16 of Hyderabad Financial and Account Code.

(4) Capital and Remittance Heads which are closed to Government.

(5) Debt and Remittance Heads which are closed to balance, being the Ledger Heads of the list given in Appendix 16 of Hyderabad Financial and Account Code.

(6) District and Departmental Accounts, including Local Remittances in transit; "Exchange Account Abstract" and "Transfers" under which the entries on both sides must always be the same.

OPENING THE BOOKS.

65. The books are opened by transferring from balance account to the various Debt Heads and personal accounts

the debtor and creditor balances with which they closed on the previous year's books.

Note.—The processes are here described as if they took place in their natural order. As a matter of fact, the opening entries just described, cannot be made until the books of the previous year are closed, which can never be until half the new year is passed and half the transactions of it duly posted in Journal and Ledger. But immediately on closing the Books of any year, the balances at credit or debit of the several Debt and other Balanced Heads should be carried forward to the books of the next year.

66. At the commencement of each year and immediately after the sanction of the Budget, the entire amount of the estimated Revenue and Expenditure under Service Heads (other than Capital Expenditure not charged to Revenue) must be brought upon the books in one sum for each, *viz.*, the estimated revenue by a credit to the head of Government and Debit to General Revenue Account, and the expenditure by a debit to the head of Government and a credit to Grant Account.

67. The amount of the estimate under each head of Receipt and Expenditure will be detailed in an inner column of the Journal and also of the Ledger under the heads General Revenue Account and Grant Account, respectively. The columns to be provided in the ledger will be :—

(i) UNDER GENERAL REVENUE ACCOUNT.

Debtor side		Creditor side	
1. Journal page	..	.. 1. Journal page	
2. Particulars	..	.. 2. Particulars	
3. Excess	..	.. 3. Revenues of the year 18	F.
4. Deficiency	..	.. 4. Total.	
5. Budget Estimate 18	F. ..		
6. Total	..		

(ii) AND UNDER GRANT ACCOUNT.

Debtor side		Creditor side	
1. Journal page	..	.. 1. Journal page	
2. Particulars	..	.. 2. Particulars	
3. Excess	..	.. 3. Budget Grants	
4. Deficiency	..	.. 4. Additional Grants	
5. Actuals 18	F. ..	.. 5. Total.	
6. Total.			

Note.—Authorized transfers of grants will not be adjusted on the books ; but any grant formally made increasing the aggregate grant for services will be brought to credit of grant account by debit to Government and if the aggregate grant for all services be reduced, credit must be given to the head Government by debit to Grant Account.

MONTHLY ENTRIES.

68. The accounts of each month are journalised by two entries headed respectively :—

(i) Sundry Accountants, etc., Debtor to sundry Revenue and other accounts (for the Revenue and Receipts of the month) ; and

(ii) Sundry services and other accounts, Debtor to Sundry Accountants, etc., for the disbursement of the month.

69. In the Journal two pairs of totals only should be entered, the description being “for the Revenue and Receipts (and for the disbursement) of the month of . . .” as per detail of Ledger heads in the Consolidated Abstract and the Statement of Disburser’s Accounts.

70. In the monthly entries the figures against Sundry Accounts (that is the personal accounts) are to be taken from the Statement of Disbursers’ Account ; those against the “ Revenue and other ” and “ Service and other ” accounts are to be taken from the Consolidated Abstract. The Receipt and Disbursement sides of the Abstract must necessarily tally with those of the Disbursers’ Accounts.

71. The Ledger should be posted monthly from the entries in the Consolidated Abstract. The Revenue, Service, and Capital Heads and such of the Remittance Heads as are closed to Government will be posted by Major Heads only, and the Debt Heads and Remittance Heads which are closed to balance, should be posted in detail of Ledger Heads, *i.e.*, each prescribed Debt Head or Remittance Head closed to balance and each district account is a separate Ledger Head. The inner columns in the Ledger should be used for details subordinate to the prescribed heads.

1. In the debt and personal classes of accounts the minor columns, if not required for record of subordinate details can be conveniently used as independent headings, so that several accounts can be introduced in the same folio ; this arrangement will facilitate their being grouped in classes.

CLOSING THE BOOKS.

72. The books may not be formally closed until orders are received from the Finance Department.

73. The Major Heads will be closed, in the case of Revenue, to General Revenue Account ; in the case of expenditure under Service Heads (other than Capital Expenditure not charged to Revenue) to Grant Account. The Major Heads of Capital expenditure not charged to Revenue are closed directly to Government. The Head General Revenue Account will thus show the amount of the revenue estimated and the revenue actually realized under each Major Head ; the excess or deficiency under each head will be shown in separate columns, and net excess or deficiency (as the case may be) will be credited or debited to the head of the Government.

74. In like manner, the head Grant account will show the amount of the sanctioned grant under each Major Head charged to revenue and the expenditure out of it. The savings or excess expenditure under each head will be shown in separate columns, and the net savings will be carried to credit or debit of the head of Government in accordance with the departmentalization rules.

75. The Debt and Remittance heads and personal accounts are separately closed to balance.

JOURNAL TOTALS.

76. The totals in the amount columns of the Journal should not be closed at the end of the month, but carried forward continuously till the end of the year. They should be entered in pencil only, until the orders of the Finance Department permit the opening entries to be posted.

1. The Journal totals after the completion of each Journal entry, should, of course be equal.

TRIAL BALANCE-SHEET.

77. The accuracy of the Ledger postings must be tested quarterly by the preparation of a Trial Balance-Sheet in Form (9). A copy of it for the fourth quarter only should be forwarded to the Finance Department ; for the first three quarters a certificate should be submitted to the Finance Department to the effect that the trial balance has been made out, proved and recorded.

78. In the Ledger, space may be left after each quarter, in order that the figures for the required Trial Balance-Sheet may be more easily made up.

79. The posting of the Journal and the preparation of quarterly Trial Balance-Sheets should not be deferred till the opening entries can, under the Finance Departments orders, be brought on the new Year's Books.

ANNEXURE.

THE JOURNAL.

The entries in the Journal are arranged in the following order :—

- | | | |
|---|---|---|
| 1. Opening Balance of Debt Heads, District Account Balances and Government Accounts. | } | These are made by transferring the closing balances of the previous year's book from the balance account to the Debt and Remittances Heads, District Accounts and Government as soon as those books are closed. |
| 2. The Estimates of Revenue and Receipts entered by debit to General Revenues and credit to Government. | | Posted from the Budget Estimates as sanctioned. Additions to or reduction from grants sanctioned by the Government during the year should also be brought on the books. |
| 3. The Estimates of expenditure entered by debit to Government and credit to Grant Account. | | |
| 4. Monthly entries. | Figures taken from the Consolidated Abstracts and the Disbursers' Accounts. | |
| 5. The Journal entries of the year. | | Posted from the Abstract of Journal entries. |
| 6. The closing entries in the Ledger of Revenue and Receipts by credit to General Revenues. | | |
| 7. The closing entries in the Ledger of service charges by debit to Government Account. | Posted from the Ledger when closed. | |
| 8. The Actuals of adjusting Heads closed to Government. | | |
| 9. Departmental Balance Account closed to Government. | | |
| 10. Exchange Account between Hyderabad State and Government of India closed to Government | The Balances are worked out in the Ledger. | |
| 11. Debt Heads closed to Balance. | | |
| 12. Remittance Heads closed to Balance. | | |
| 13. Remittance Heads closed to Government. | | |
| 14. Government Accounts closed to Balance. | | |

Chapter 5] Journal and Ledger [Annexure

THE LEDGER.

The accounts on the Ledger are arranged in the following order :—

- | | |
|---|---|
| 1. Government. | The accounts which close to this head are :—General Revenue Account, Government Account, Adjusting Heads, Departmental Balance Account, Exchange Account between Hyderabad State and Government of India, and certain remittances heads. |
| 2. General Revenue Account. | This account shows the debit of the amount of Revenue estimated under each Major Head, the credit of the Revenue actually realized, and the excess or deficiency under each Head. The net excess or deficiency (as the case may be), is credited or debited to the Head "Government." |
| 3. Grant Account. | This account shows the credit of the amount of the sanctioned grant and the debit of the actual expenditure and the savings or excess expenditure under every Major Head. The net savings or excess is carried to credit or debit of the Head "Government." |
| 4. Balance Account. | The debt heads are closed to this Account. |
| 5. The Revenue Heads. | These are posted from the Monthly Consolidated Abstracts and the Abstracts of Journal entries. |
| 6. Expenditure Heads. | |
| 7. Departmental Surplus or Deficits. | |
| 8. Adjusting Heads. | |
| 9. Debt Heads. | |
| 10. Remittance Heads. | These are posted from the Monthly Disbursers' Accounts, the receipts being posted as debits and the payments as credits. |
| 11. District Accounts. | |
| 12. Departmental Accounts including Local Remittances in Transit. | |
| 13. Exchange Account Abstract | |
| 14. Transfers. | |

Note. 1.—The Heads in the Ledger should be written up completely in Azur every year.

Note 2.—The Ledger while in use may be kept in loose folios, and such a procedure is convenient, provided the folios are numbered. The numbers on the folios will be initialled by the Superintendent before the Ledger forms are brought into use.

CHAPTER 6.—VERIFICATION OF BALANCES.

REVIEW OF BALANCES.

80. The accounts of the year are not complete until the balances upon the Ledger under the Debt and Remittance Heads have been verified. Accordingly an explanatory statement of closing balances, called the Review of Balances, should be submitted to the Finance Department in the form of a general report, which will take up each of the heads in succession. The report should contain.—

1. A statement of each Ledger Balance which is to be explained.

2. An explanation of the nature and conditions of the liability involved in it.

3. A statement of the nature of the detailed accounts kept of the transactions connected with it; and how far the final results of these detailed accounts work up to, and agree with, the balance on the Ledger.

4. Information as to whether the person or persons by whom the balance is owned or from whom it is due admit its correctness, and, if they do not, where the difference lies. This would not apply to such items as deposits or ordinary advances, but it should be explained how far the latter are believed to be really recoverable.

Part of the explanations under heads (2) and (3) would necessarily be the same year after year; and there is no occasion to repeat every year the same information for which reference may be given to a previous report.

81. The paragraphs of the review should be numbered. This report is due by the end of Amerdad each year; it should be taken up by the Accountant-General personally.

82. As soon as the review has been issued, a list should be drawn up of all the cases in which any action is still required, and the Finance Department should be

informed of any subsequent reconciliations which may be effected, references being invariably made to the paragraphs of the review affected.

Note.—Discrepancies that may remain unsettled after the submission of the report should be carefully watched and their reconciliation reported to the Finance Department. As a rule, discrepancies reported in the Review of Balances of one year should be settled before the review of the next year is submitted. In the rare case of any discrepancies remaining unsettled even then, the review for the next year should differentiate between the discrepancies of the year and those relating to previous years, and should mention separately the action taken in respect of each. A similar differentiation should be made between the Outstanding Balances relating to the year of review and those relating to previous years, and any delay in the recovery of old items should be specially explained.

83. The following rules give directions as to the verification required in several cases, and indicate what is required in the cases not specifically mentioned.

DEPOSITS OF LOCAL FUNDS.

84. The balances worked out in the broad-sheets prescribed for Deposits of Local Funds in Chapter (16) of the Audit Code each year should be communicated to (and, if necessary, accepted by) the officers charged with the administration of the Funds.

LOANS AND ADVANCES.

85. The Ledger Balance should be verified against the outstanding principal of the loan shown in the special Loan registers. It should also be stated whether the conditions of each loan have been fulfilled and whether the balances due at the end of the year (or if, in the case of any loan, another periodical date is fixed for making up the account, then at the last previous date of making up the account) have been communicated to, and not been objected to, by the debtors. This verification should be separately reported to the Finance Department.

1. As regards advances to cultivators and other advances of which the detailed accounts are kept by departmental officers, see Article (90).

2. In the case of House-building Advances, Advances for purchase of Motor Cars and other conveyances and similar Interest-bearing Advances to Government servants, annual acknowledgment should be obtained from each officer that he accepts, as due from him, the balance of the Advance worked out in the Audit Office, and the fact that this acknowledgment has been obtained should be mentioned in the review which should also contain information as to whether instalments in repayments of these Advances have been regularly recovered.

DEPOSITS OF SERVICE FUNDS.

86. The balances should be compared and reconciled with those in the accounts sent in by the Trustees or Managers. There are sometimes large differences arising from the Trustees crediting in their accounts of the year, interest which is not really payable to them till Azur 1st,

DEPOSITS.

87. For Deposits which are recorded in detail in registers in the Hyderabad Financial and Account Code Form (55) the total receipts and repayments are posted from that form monthly into the proof-sheet (The Hyderabad Audit Code, Form 25). At the end of the year the cross totals of the receipts and repayments posted into the monthly columns of the proof-sheet should be made and the Balances struck separately for the different districts for each of the four years shown in the form. The Balance of the first year will, except for any Deposits not allowed to lapse to Government for special reasons, be posted in the column "Credited to Government," and should be compared with the total of the statement of lapses of the district concerned. The Balance of the third year should similarly be compared with the total of the clearance register. The grand total of the column, "Balance on 30th Aban," should be agreed with the Ledger Balance of the class of Deposits concerned.

1. For Public Works Deposits, see Article 99.

2. In the case of deposits of Trust Interest Fund the Balance on account of Interest payable should also be agreed with the total of unpaid payment orders.

88. The Balance of personal deposits must be verified by addition of the separate Balances shown in the returns for Aban (as checked by the Audit Office), and it must be seen that they are, in each case, certified in the manner prescribed in Article 290 of the Hyderabad Financial and Account Code.

The Review should contain a brief report on the Personal Ledger Accounts stating (1) that no such account was opened except with the sanction of competent authority, (2) that the accounts were properly operated upon and there was no Debit Balance in any of them, (3) that the correctness of the Balances has been certified by the

Chapter 6] Verification of Balances [89-91

Parties concerned, and (4) that the details of the Personal Ledger Accounts work up to and agree with the Balances in the ledger.

The Personal Ledger Accounts need not be shown individually or by districts. It will be sufficient if the following information is furnished for the whole State :—

1. The total number of accounts open,
2. the opening balance at the commencement of the year under review,
3. the total credits and debits during the year, and
4. the closing balance at the end of the year.

ADVANCES RECOVERABLE AND SUSPENSE ACCOUNT.

89. The accuracy of the Balances brought forward in the Objection Books for non-Public Works Transactions and those shown in the broad-sheets of Balances under Advances Recoverable and Suspense is to be tested in the manner laid down in Article (638) of the Hyderabad Audit Code. The Ledger Balances should be certified to agree with the totals of the Balances shown in those broad-sheets.

90. In the case of Advances to cultivators and similar Advances which do not enter the Objection Book, the Balance should be proved by obtaining from each local officer, who has authority to make such Advances, an acknowledgment that the amount outstanding against him on the books of the Accountant-General is the same as that shown as recoverable upon the registers and accounts kept by him.

1. Acknowledgments of advances to meet payments for compensation for lands taken up for public purposes should be obtained from the District Officers and the fact mentioned in the review.

2. For Takavi Works Advances, see Article 323.

PERMANENT ADVANCES.

91. The amounts remaining unadjusted upon each district (and other) account in the register (Hyderabad Audit Code, Form 40) must be verified by means of annual acknowledgments from the officers concerned (see Article 121 (6) of the Hyderabad Financial and Account Code). The aggregate of the outstandings should be made up from the register and tallied with the Ledger Balance (Hyderabad Audit Code, Article 322)

CASH REMITTANCES.

92. The balances under the Cash Remittance Heads are composed of Credits unadjusted by Debits, and Debits unadjusted by Credits. The details of these unadjusted items should be extracted from the Remittance Register (Hyderabad Audit Code, Form 32), showing the month to which each item belongs. The net balance of each class of remittances should agree with the balance of the Corresponding Ledger Head.

PUBLIC WORKS REMITTANCES.

93. The Balances under Public Works Remittances are reconciled with the Ledger.

94. The verification should be made separately for the two classes, *viz.*, Supply Bills, and Remittance Transfer Receipts.

95. After the Credit of Lapsed Bills to Government (Hyderabad Audit Code, Article 307), the amounts of the Outstanding Bills should be carried, in the issue lists, into the Balance column. The Balances of each year's Bills added to the total payments of the same year's bills should agree with the total drawings (in respect of Bills of the year just closed) or with the Balance outstanding at the end of the previous year (in respect of Bills of the two former years); and this agreement should be complete, both for the whole and for each District drawing.

96. The Forward Balances will then be posted into statements (Form 10), of which the totals ought to agree with the Ledger Balances.

CASH BALANCES.

97. The Balances under the Personal Accounts showing the Cash Balances, are to be agreed with the Balances acknowledged by the various officers in the Cash Balance reports for Aban.

1. The Opening Cash Balance of each departmental account is agreed, month by month, by Audit Sections concerned with the Closing Balance of the previous month and it is seen that the Closing Balance is certified to have been verified by some responsible Officer in accordance with the prescribed rules.

PUBLIC WORKS BALANCES.

98. The review should also include the Balances under the following heads appearing in the accounts of Divisional Officers of the Public Works Department :—

1. Public Works Deposits.

2. Civil Advances :—Advances of the Public Works Department, Takavi Works Advances.

3. Civil Departmental Balances—Public Works Advances.

99. The Balances are verified as detailed below :—

(i) Transactions under the heads Public Works Deposits and Takavi Works Advances are reconciled with the Ledger, month by month, through the broad-sheet in the Hyderabad Audit Code, Form 65 (Vide Article 485 of the Hyderabad Audit Code). Their balances are similarly reconciled at the end of the year.

(ii) The Closing Cash Balances of Divisional Officers as given in their Monthly Accounts for Aban are verified individually in the works Audit Department with the Original Cash Balance (Hyderabad Public Works Account Code, Form 51-a), for that month, received from the Divisional Officers, and the aggregate of these Balances should be reconciled with the Balance in the Ledger.

The General review of the balances should be on the lines of certificate 3 of the Hyderabad Public Works Account Code, Form 91.

CHAPTER 7.—SUBSIDIARY ACCOUNT OF LOANS AND ADVANCES.

GENERAL.

100. Sums of money are occasionally advanced to Corporations and to individuals by Government for special reasons and on conditions which are generally stated in full in the orders sanctioning the Advances. The following general instructions must be taken as supplementary to those special conditions; they do not apply to House-building and other Advances made under standing rules.

101. These Loans may be of several kinds; they may bear no interest or they may bear an excessive nominal rate; they may be repaid by fixed annual instalments including interest, or the instalment of repayment may be in addition to interest; they may be repaid by periodical instalments of not less than fixed sum, or the condition of repayment may only be the clearing of the Loan in fixed time.

102. For each class of Loans a separate Ledger Head will be opened in the accounts subordinate to the Main Heads 'R.—Advances bearing interest' and 'S.—Advances not bearing interest' as the case may be. These heads will be debited with the Advances and credited with the Repayments which appear in the accounts of each month.

ISSUE OF LOAN MONEY.

103. The following are the rules under which payments may be made :—

I. Every Loan to a Municipality, or other Corporation or individuals will be recorded in the books of the Accountant-General and no part of it may be issued except under his orders.

II. No public department or public officer may incur any expenditure or any liabilities against such Loan Funds, unless a statement in writing is first obtained from the Accountant-General, that the amount is available out of the Loan Funds and has

Chapter 7] **Subsidiary Account of Loans [104-105 and Advances**

been placed in a separate account by the Accountant-General so as to be available for the proposed expenditure.

Note.—This “Separate account” will be opened upon the subsidiary register prescribed below :—

III. The Accountant-General, before setting apart any part of the loan under the last rule, will ascertain that the Municipality or other body responsible for the Loan has assented to the arrangement, or that it is distinctly stated by Government among the terms of the Loan.

IV. Funds spent by any Public Department or officer under Rule II shall reckon for Interest as if they were drawn on the last day of the month in the accounts of which they are included by the spending department or officer.

Note.—Rules II to IV may be modified at the discretion of the Government in the Finance Department.

104. In the case of works constructed by departmental agency out of Loans granted by the Government, the Accountant-General should keep that authority informed of the progress of outlay to enable it to watch and take notice of any tendency to an excess and check it in due time as far as possible.

SUBSIDIARY LOAN REGISTER.

105. For these Loans, except Revenue Advances, a Subsidiary Loan Register will be kept in the annexed Form A. This Form will be for those which are repayable by direct credit of the repayments to the principal of the Loan. A separate page should be set apart for each Loan.

Subsidiary Register of Loan of Rs.———sanctioned for———in orders of *Government, Finance Department*, No.———dated———

FORM A.

CONDITIONS OF LOAN.

“To bear interest at.....per cent. to be paid (half) yearly on.... and to be repaid by (half-yearly instalments of Rs.....in addition to accruing interest) or* (within.....years) or (in.....equal instalments).”

* For table of calculations of repayments of loans by equal instalments see Appendix 1.

Subsidiary Account of Loans and Advances

DATE AND VOUCHER		ACCOUNT PRINCIPAL OF LOAN			CALCULATION OF INTEREST ON PRINCIPAL			ACCOUNT OF INTEREST DEMAND	
Date	Voucher	Advance	Repayment	Balance	Period	On advances	On repayments	Amount due	Amount paid and credited to interest
		Rs.	Rs.	Rs.		Rs. as.	Rs. a.	Rs.	Rs.
Azur 16th	.. Balance	..	..	50,000	½ year	1,000 0	..	1,270	..
Dai 1st	.. ..	..	..	..	..	..	..	..	270
Dai 5th	.. 7	5,000	..	55,000	164 d.	89 14	..	..	..
Bahman 10th	.. ..	..	20,000	35,000	128 d.	..	280 9	..	..
Bahman 16th	.. ..	..	..	..	..	..	..	..	700
Farwardi 16th	.. 18	5,000	..	40,000	61 d	33 7	..	..	..
Ardibehisht 1st	.. ..	..	..	..	..	..	..	..	200
Total	.. ..	..	..	..	..	1,123 5	280 9	1,270	1,170
Khurdad 16th		To arrear interest due Rs. 1,270 less Rs. 1,170 interest due on arrear interest, namely Rs. 1,270 at 6 per cent., for half-year 38-1-0 Less Rs. 270, for 168 days 7 7 Rs. 700, for 122 days 14 1 Rs. 200, for 45 days .. 1 8 23 0 Net due 15 1 To interest accrued on principal this day 1,123 5 Less 280-9=842-12..... 842 12						100	
Khurdad 16th	Balance	..	..	40,000	½ year	800	..	957 13	..

1. In this example the rate of interest is taken at 4 per cent., and the days for its payment are supposed to be Azur 16th and Khurdad 16th. The first, second, and fourth sections record actual transactions and require no remarks. In the third section, "Calculation of interest," the figures show the amount that accrues and falls due upon the next periodical day. On the balance, Rs. 50,000 half a year's interest or Rs. 1,000 will fall due on Khurdad 16th; on the rest the amounts are calculated upon the number of days from the date of the transactions till the end of the half-year; the actual amount due on Khurdad 16th is the difference between the two columns.

2. On the periodical fixed day, the account is made up in the manner shown, and the balance of principal, Rs. 40,000 and of interest, Rs. 957-18-0, due from the debtor, is calculated and set forth in the manner indicated.

Chapter 7] **Subsidiary Account of Loans [106-109 and Advances**

3. It is not thought worth while to set apart separate special columns for calculation of interest due on arrear interest. The calculation, however, is made as shown in the above specimen, in exactly the same way as on the principal though the rate per cent. is usually higher.

4. The sum of Rs. 20,000 in the foregoing example would not, in practice, be entirely credited to principal, but it is so entered here in order to illustrate how the account may be made up under various possible contingencies.

106. The columns under "Date and Voucher," "Account of Principal of Loan" and "Account of Interest Demand" in the Register referred to in Article (105) should be filled in as soon as the transactions are reported from the Treasury Account or the Cash Account or the Bank Sheet. The calculation of Interest will be made at the same time by the aid of the table in Appendix (2). It will be observed that these columns show the interest that will be chargeable on the next periodical day, and that the amount of interest deduced upon them is not actually debitable against the borrower until the next periodical day.

1. A loan bears interest for the day of advance, but not for the day of repayment.

LOAN EXPENDITURE BY PUBLIC WORKS DEPARTMENT.

107. In cases where the Loan Expenditure is, under special orders, to be conducted and controlled by the Public Works Department, the amounts chargeable to the several Loan Accounts will appear monthly in the Public Works Account through the Monthly Accounts of Divisional Officers.

108. The amounts will be charged in the Subsidiary Register above prescribed, and will bear Interest as though they had been advanced on the last day of the month in which the expenditure actually appeared in the Monthly Accounts.

PAYMENTS IN DISCHARGE OF LOAN.

109. Nothing may be credited as repayment of principal so long as any sum is due on account of interest unpaid.

1. Interest for any half-year (or year) is not "due" until the end of the half-year (or year) during which it accrues.

110-113] Subsidiary Account of Loans [Chapter 7 and Advances

PERIODICAL MAKING-UP OF THE ACCOUNT.

110. After all entries up to, but not including, the date on which Interest becomes due have been made, at line will be drawn across the page. First the Interest Account of the past half-year must be made up by deducting the amount paid on account of Interest from the demand on that account entered in the "Amount Due" column, and bringing down "Balance of Interest due." Then a calculation must be made of the Interest (if any) demandable on Overdue Interest of the previous half-year. Lastly, in the case of Register in Form A, the second and third columns of the "Calculation of Interest on Principal" must be totalled, and the excess of the total of the second over the total of the third carried into the "Amount Due" column. The total interest due and the total principal due will then be made up, and the account will be opened for a new period.

1. If interest is payable yearly, instead of half-yearly, the account will be made up only once a year.

111. A copy of the account as thus made up, and of the new statement of demand, should be sent to the debtor.

AUDIT OF RECEIPTS.

112. The Subsidiary Register will give the Accountant-General the means of seeing that both interest and instalments are repaid on the due date, and in case of delay, he should at once address the officer who is in direct communication with the debtor or charged with the administration of the property or of the Corporation to which the Loan is made. The debtor should be warned either by this officer, or if the loan is not on any district account by the Accountant-General, when any payment, either of interest or of principal is about to fall due from him; but omission to give this warning, of course gives the debtor no claim to exemption from the consequence of default.

DEFAULT.

113. The occurrence of default in payment either of principal or of interest should be reported without delay to the Finance Department.

CHAPTER 8.—PRO-FORMA ACCOUNTS OF THE PUBLIC WORKS DEPARTMENT.

INTRODUCTORY.

114. The general rules relating to Pro-forma Accounts of the Public Works Department are stated in paragraphs 580 to 584 of the Hyderabad Public Works Account Code ; see also Audit Code, Article 106 *et seq.* This chapter deals mainly with the Pro-forma Accounts of buildings used as residences, and the rules pertaining to the Pro-forma accounts of irrigation works are given in chapter IX.

CAPITAL AND REVENUE ACCOUNTS OF RESIDENCES.

115. Capital and Revenue Accounts of Residences should be prepared annually to review the results of the year, and to determine if the annual allowance fixed for maintenance and repairs is sufficient to protect the State against any losses arising from the operation of the rules regarding recovery of rent for residential buildings, as prescribed in this regard by Government in the Finance Department.

In respect of residential buildings not forming part of a very large house-building scheme, the accounts may be prepared and reviewed triennially if so desired by the Government in the Finance Department.

BUILDINGS.

116. It is unnecessary to include in these accounts buildings of the classes enumerated below ; all other residential buildings, which are in charge of the Public Works Department, even though they are occupied partly as office buildings, should be included, whether they were acquired or constructed at Government expense, or only leased for use as residences :—

(a) Buildings which are situated within the precincts of jails, lunatic asylums, hospitals, police lines, tehsils, educational institutions provided that

117] Pro-forma Accounts of the [Chapter 8 Public Works Department

they are allotted rent-free under the orders of the Government to Government servants who are required to occupy particular houses in order to ensure the proper performance of their duties.

Note.—The instances are not intended to be exhaustive. Other residential buildings allotted rent-free under the orders of the Government to Government servants who are required to occupy particular houses in order to ensure the proper performance of their duties, may be omitted at the discretion of the Government.

(b) Buildings which are not intended to be used as regular residences, *e.g.*, dak bungalows, rest houses, inspection houses and other buildings of a like nature.

(c) Petty buildings the cost of which does not exceed Rs. 5,000 or any other limit which the Government in the Finance Department may fix for this purpose.

1. The list of buildings to be included in the accounts for a year should be compiled from the previous year's accounts and the divisional schedules of Rents of Buildings and Lands (Hyderabad Public Works Account Code, Form 49), for the last month of the year. It should at the same time be seen that certificate No. 5 in Hyderabad Public Works Account Code, Form 91 in respect of property available to be let, has been received from each Divisional Officer.

117. Subject to the provisions of Article 116 the buildings for which Capital and Revenue Accounts are required to be maintained should be grouped in two classes :—

Class I.—Buildings which will ordinarily be occupied by officers liable to pay the full standard rent subject to the limit of 10 per cent. of their emoluments.

Class II.—Buildings from which recovery of the full standard rent is not expected, *i.e.*, buildings which will ordinarily be occupied by officers who are entitled to accommodation rent free or at reduced rents under the sanction of competent authority.

(1) The fact that a building in Class I is occasionally occupied by an officer who is entitled to accommodation rent free, or at reduced rents, will not justify its removal from Class I to Class II, and similarly a building in Class II should not be transferred to Class I whenever it

Chapter 8] Pro-forma Accounts of the [118-121 Public Works Department

is occupied by an officer who may be required to pay the full standard rent (subject to 10 per cent. of emoluments). Buildings should be transferred from one class to the other only when there is a permanent change in the conditions under which they will ordinarily be rented. Transfers should be made under the orders of the competent authority and should have effect in all cases from the commencement of a financial year.

118. A building should be brought on to these accounts in the official year following that in which any of the events enumerated below took place ; but if the event takes place on the 1st Azur, the buildings should be brought on to the accounts of the same year :—

(a) Its acquisition or construction was completed,
or

(b) It was leased, or

(c) Being a building already in existence, it was first brought into use as a residence.

119. A residential building which has once been included in these accounts should not be excluded therefrom, unless it is declared by competent authority as being no longer available for use as a residence, wholly or in part, in which case a suitable note quoting authority, should be made in the first account from which the building is removed, as also in the report (Article 126).

120. If a number of residences in a particular area or of a particular class or classes is grouped for the purpose of assessment of rent, the collective results of all such buildings should also be brought out in the accounts.

INSTALLATIONS AND OTHER SERVICES.

121. Transactions relating to capital cost and maintenance of sanitary, water-supply and electric installations and fittings of a residence included in these accounts should be included in those for the building itself. Similar transactions relating to other services excepting furniture, such as gardens, tennis courts, etc., for which additional rent is recovered under Rules, should be shown separately for each such service, below those relating to the building itself. The furniture provided for all such residences in each circle of superintendence or other unit for which separate account is prepared (vide Article 125) is treated as an item by itself.

122-124] Pro-forma Accounts of the [Chapter 8 Public Works Department

FORM OF ACCOUNTS.

122. These accounts should be compiled in Capital and Revenue Accounts, Form No. 11. For their preparation, Divisional Officers are required to furnish the Examiner with the necessary data in a suitable form which the Examiner may prescribe according to requirements. These data should first be scrutinised in the Audit Office as far as possible.

1. Any additional information which the Examiner considers necessary for testing the accuracy of the standard rent fixed can, if required, be obtained in the preliminary return mentioned above.

123. Both in respect of capital outlay and maintenance charges, the actual charges only should be taken no addition being made on account of establishment and tools and plant charges or on account of the cost of account and audit.

1. If a building is occupied partly as a residence and partly as an office, the best possible approximation should be made, in consultation with the Superintending Engineer, of the capital value of the portion used as a residence, the revenue charge being proportionately distributed for the purposes of the accounts.

2. In the case of non-residential buildings which are converted into residences, if the original cost cannot be ascertained from the records, the capital value should be based on the estimated value of the buildings, subject to any rules which the Government may have prescribed.

124. Column 17 of Capital and Revenue Accounts Form No. 11 "Interest on capital outlay to end of year under report or rent payable by Government" should be filled in as indicated below:—

(i) *Leased buildings.*—Rent payable by Government to the lessor should be noted in this column. When maintenance and repairs to the building or municipal or other taxes relating thereto are also chargeable to Government these charges should be noted in columns 11 to 14.

(ii) *Government buildings.*—As the interest for the year is calculated at the rate which is in force as the standard of return from productive irrigation works at the time of acquisition or construction of the

Chapter 8] Pro-forma Accounts of the [125-126 Public Works Department

building, it is necessary to calculate interest separately on (1) capital outlay to end of previous year and (2) capital outlay during the year. The interest on (1) will be the figure entered in the last account, or, if there was any capital outlay during the previous year, it will be that figure plus interest on half the amount of that capital outlay. The interest on (2) will be calculated on half the amount of the capital outlay of the year at the rate of interest for the year. The total of (1) and (2) should be noted in column 17.

1. The details of calculation may be given in the preliminary form to be prescribed by the Examiner, vide Article 122.

125. These accounts should be prepared in such detail as the Government in the Finance Department may desire, but usually it will be found sufficient to prepare a separate account for each circle of superintendence, so that copies of the accounts may be sent to Superintending Engineers to enable them to review the results of the areas in their respective charges, and to take such action as they may deem necessary to effect economies in working.

REVIEW.

126. The accounts, when completed, should be reviewed in the light of rules in force, and the results of this collective review should be embodied in a concise report, with which the accounts should be submitted to the Finance Department by such date, as may be fixed. If, in any particular case, or generally, the standard rents need revision, or the maintenance charges are excessive or the realisations inadequate, these points should be mentioned in the report, as also any suggestions regarding the working or suitability of the rules which the Examiner may wish to make. The true annual cost to the tax-payer on account of the residences included in these accounts should also be reviewed. For this purpose, a lumpsum (which should be estimated by the Examiner with due regard to the rules relating to allocation of these charges) representing charges on account of establishment and tools and plant should be added to the total capital cost, including value of site, of all buildings which form the subject of a single review. If the capital cost of

**126 contd.] Pro-forma Accounts of the [Chapter 8
Public Works Department**

any building does not include the value of site, the estimated value of this site should be ascertained and added to its capital cost for this purpose. A similar lumpsum addition on account of departmental charges should also be made to the total average maintenance charges of all buildings forming the subject of a single review, and the interest charges should be calculated on the (gross) capital cost worked out in the manner indicated above. The total of the maintenance and interest charges thus worked out should be compared with the total realisation of rent. In all comments and observations, leased buildings should, as far as possible, be distinguished from those owned by Government, and each of the special services such as furniture which are exhibited separately in the accounts (See Article 121) should be dealt with separately.

1. See also Article 119.

2. The Gazetted Officer who examines the account should satisfy himself that sanction exists for (1) each and every building, appearing in the accounts which is stated to be occupied rent free or at reduced rent under rules ; and (2) residences completed during the previous year but omitted from the accounts under, review in terms of clause (a) of Article 116.

CHAPTER 9.—PRO-FORMA ACCOUNTS OF IRRIGATION PROJECTS.

INTRODUCTORY.

127. The Examiner, Public Works and Commercial Accounts is required to prepare annually Pro-forma Accounts of Irrigation Projects for which either Capital and Revenue accounts or only revenue accounts are kept. These Accounts are known as the Administrative Accounts of Irrigation Works.

128. For Projects for which Capital accounts are kept, the Accounts should be prepared in Capital and Revenue Accounts Form 12 which is to be used for the following purpose :—

- | | |
|------|---|
| Part | I.—General Abstract of Financial Results. |
| „ | II.—Detailed Account of Capital Expenditure. |
| „ | III.—Revenue Account. |
| „ | IV.—Interest Account. |
| „ | V.—Account of Indirect Charges. |
| „ | VI.—Statement comparing Capital Cost with sanctioned Estimates. |

Accounts of individual projects are kept in Parts II to VI for each, and the general results of all projects are abstracted in Part I.

129. For projects for which only Revenue Accounts are kept, the same form is used, but the Accounts consist of Parts I, III and V only. Accounts of individual projects are kept in Parts III and V for each, and Part I is the abstract which brings out the general results of all.

CLASSIFICATION.

130. The projects for which Administrative Accounts are prepared are classified thus—

Works for which both capital and revenue accounts are kept.

IRRIGATION WORKS.

- (1) Productive.
- (2) Unproductive.

131-132] Pro-forma Accounts of [Chapter 9 Irrigation Projects

In Part I projects should be grouped according to this classification, and on all separate Accounts of them, the detailed classification of each Project should be indicated prominently.

1. The classification of works into (1) productive and (2) unproductive, is governed by the rules in Statement A of Appendix (3) of the Hyderabad Public Works Account Code.

PART I.—GENERAL ABSTRACT OF FINANCIAL RESULTS.

131. Part I is a summary of the financial results of all projects in the State, excluding those for which neither Capital nor Revenue Accounts are kept. It is prepared separately for works for which both Capital and Revenue Accounts are kept, and works for which only revenue accounts are kept, the figures in each case being taken, in respect of individual projects from the detailed accounts thereof as brought out in other parts.

Note.—Projects will be arranged serially in the order of the dates on which the Construction Estimates were closed. Projects whose Construction Estimates have not been closed, will come next in the arrangement and they should be detailed in the order of the dates of sanction to the Estimates. The above arrangement does not, however, interfere with the classification of Projects and between Productive and Unproductive prescribed in Article 130 above.

FORM II.—DETAILED ACCOUNT OF CAPITAL EXPENDITURE.

132. Part II, the Detailed Account of Capital Expenditure, is a statement of the total direct charges incurred to end of the year against all the sanctioned estimates of Capital Expenditure. The outlay should be detailed by such branches and sections of the Project as are shown separately in the sanctioned Project Estimate, and under each it should be given in full detail of Minor Heads (including "Receipts and Recoveries on Capital Account") and detailed heads.

1. Charges under the Minor Heads "Establishment" and "Tools and Plant" will be detailed only if, under the rules (vide Appendix 5 of the Hyderabad Public Works Account Code), the entire expenditure of a circle of superintendence, or of other prescribed unit of distribution of charges relates to a single project; in other cases, the charges debitable pro-forma to a project, under each of these two heads, should be shown in lump.

2. There will be no entries ordinarily under the Minor Head "Suspense" as this head in the accounts represents services of a general character; but if the division in which the works are executed is maintained exclusively in connection with a single project, the entire transactions under this head must be included in Part II.

Chapter 9] Pro-forma Accounts of [133-136 Irrigation Projects

133. Expenditure on surveys which was incurred before construction commenced should be brought on to the account by an entry in the column headed "To end of previous year" qualified by a suitable explanation in the column for "Remarks."

134. For purposes of comparison with estimates, Part II provides two columns, *viz.*, "Cost of construction as now estimated" and "Expenditure against closed estimates." The former is written up thus:—

(i) If the construction estimate is still open.	}	The estimated cost.
(ii) If the construction estimate is closed		The aggregate of (1) actual expenditure on the closed construction estimate (2) actual expenditure on all closed estimates of open capital and (3) estimated cost of all open capital estimates the accounts of which are still open.

The latter column should be filled in only if the construction estimate has been closed, and it should show the total of (1) actual expenditure on the closed construction estimate, and (2) actual expenditure on all closed estimates of open capital. The difference between the figures in these columns will thus indicate the amount of the open capital sanctions still operative under each detailed head, *i.e.*, the further authorised liabilities of the project.

135. If the construction estimate has been closed, the date on which it was closed should be placed on record in this form.

PART III.—REVENUE ACCOUNT.

136. Part III, the Revenue Account is a statement making an up-to-date comparison of the gross (*i.e.*, direct as well as indirect) figures of the receipts and the working expenses of a project yielding revenue. The receipts should be detailed by minor heads, and the working expenses by both minor and service heads. The difference between the gross receipts and the gross charges will represent the net revenue or the deficit, as the case may be.

1. The Revenue Account should be opened for a Project as soon as any Section of it is completed and begins to yield revenue.

2. See also Rules 1 and 2, to Article 132.

137-140] Pro-forma Accounts of [Chapter 9 Irrigation Projects

PART IV.—INTEREST ACCOUNT.

137. Part IV, the Interest Account, is a simple debit and credit account, showing on one side the charges for the interest and on the other the net revenue, or deficit, as worked out in Part III.

138. Interest is charged in the Administrative Accounts of Irrigation, etc., projects at the rates given below :—

(a) As regards capital outlay met out of specific loans raised by the Government, at the rate of interest actually paid on such loans.

Note.—By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospectus and in regard to which definite intimation is given at the time of the raising of the loans that for the purpose of accounts they are to be regarded as specific loans.

(b) As regards capital outlay provided otherwise than from borrowings at the rate specified by Government.

1. Interest is calculated on the total direct capital outlay to end of the previous year plus half the outlay of the year itself.

2. The details of the calculations should be given in the account.

3. Survey charges of previous years incorporated in the Capital Account (Part II) of the year (vide Article 138) should be treated as Outlay to end of the previous year.

PART V.—ACCOUNT OF INDIRECT CHARGES.

139. Part V, the Account of Indirect Charges is a simple statement of the indirect charges shown below :—

Capitalised Abatement of Land Revenue.—At twenty times the annual amount of land revenue remitted.

Note.—This charge will not be made in cases when the capitalised value has been awarded in lieu of abatement and has been debited as a direct charge.

Audit and Accounts Establishment.—The actual expenditure, where it is readily ascertainable, as in the case of separate Audit and Accounts Offices constituted for specific projects. Otherwise $\frac{1}{2}$ per cent. on the total outlay.

1. The details of the calculations of the year's charge should be given in column 1.

2. The adjustment of Leave and Pensionary Charges will appear as Direct Charges :—

140. This Account is prepared in two separate sections—Capital and Revenue—in the case of works for which both Capital and Revenue Accounts are kept.

Chapter 9] Pro-forma Accounts of [141-143 Irrigation Projects

PART VI.—STATEMENT COMPARING CAPITAL COST WITH SANCTIONED ESTIMATES.

141. Part VI compares both the direct and indirect charges incurred up-to-date on a project with the amount of sanctioned estimates.

142. If the construction estimate is still open no entries will be made in column 2 to 4, headed, "Charges against closed sanctions," and in column 8 "Total charges to date against old and current sanctions." But, if it has been closed, all the columns of the form will be written up, column 2 to 4 being used in respect of all working estimates (construction or open capital) which have been closed, and columns 5 to 7, headed "Current Sanctions," in respect of all working estimates of open capital, the accounts of which are still open.

REVIEW.

143. The Administrative Accounts, should be submitted to the Finance Department as soon as possible after closing the final accounts for Aban. The Examiner should review the accounts and send with them a report of the points which his review may suggest. In the report should be mentioned specially all points requiring attention, *e.g.*, (1) cases in which, in the Examiner's opinion, a change of classification of projects from "Productive" to "Unproductive" or vice versa may be indicated, (2) cases in which an abnormal increase under "Working Expenses" is not accompanied by an adequate increase in the "Receipts" or (3) cases in which "Receipts" show a marked decline and there is no known reason for this.

Note.—For the purpose of the above-mentioned revenue the figures shown against the Minor Head "Recoveries of Expenditure" should be deducted both from "Gross Receipts" and from "Gross Working Expenses."

1. Any practical suggestions calculated to reduce the Working Expenses, to develop the Gross Receipts or to effect economies otherwise, which may occur to the Examiner should ordinarily be made separately vide Audit Code, Articles (108 and 666) the report, being confined, to mentioning the salient features of the accounts in a manner intelligible to an outsider.

CHAPTER 10.—CHARITABLE ENDOWMENTS AND OTHER TRUSTS.

CHARITABLE ENDOWMENTS.

144. Subject to any general rules framed by Government in the Finance Department the duties of Accountant-General as Treasurer of Charitable Endowments are given in this chapter.

145. When a copy of a vesting order is received by the Accountant-General, he should at once place himself in communication with the persons who appear therefrom to be holders of the documents of title relating to the property or of the securities mentioned in the order, and request them to forward the title deeds, or securities in a registered cover and to insure the cover for Rs. 100. These do not require to be endorsed, as the vesting order operates to transfer the securities to the Treasurer.

146. The securities held by Honourable the Finance Member on whose behalf the Accountant-General acts as Treasurer of the Charitable Endowments, will be held on a separate account from those held by the Accountant-General himself.

1.—If a vesting order is received in respect of securities already held by the Accountant-General, he will transfer them from his General Register to the Register of Charitable Endowments; and if they are in the custody of the Hon'ble the Finance Member, he will submit a demand for their transfer.

147. The floating funds of an Endowment may, with the sanction of the Government in the Finance Department be kept as a Separate Fund; or the same authority may prescribe other depositories, *e.g.*, the Postal Savings Bank or other Banks.

ANNEXURE.

1. In the case of property vested in a Treasurer of Charitable Endowments other than securities for money, the person acting in the administration of the trust, the possession, management and control of the property and the application of the income thereof, shall, in books to be kept by them, regularly enter or cause to be
- Accounts of trusts consist of immovable property.

Chapter 10] Charitable Endowments [Annexure and other Trusts

entered full and true accounts of all moneys received and paid respectively on account of the trust, and shall, on the demand of the Government, submit annually to such Public servant as the Government may from time to time appoint in this behalf, in such form and at such time as the Government may from time to time prescribe, an abstract of those accounts and such returns as to other matters relating to the administration of the trust as the Government may from time to time see fit to require.

2. The fees to be paid to the Government in respect of any property vested in a Treasurer of Charitable Endowments will be fixed by the Government.

The Treasurer may deduct any fees payable to the Government on account of any Endowment from any money in his hands on account of such Endowment. If he holds no such moneys the amount should be claimed from the administrators.

3. All copies of vesting orders received by the Treasurer will be filed together and will be numbered in consecutive order of their receipt; when a sufficient number have been received, they will be bound in volumes. A note will be made on each vesting order of any entries in the registers prescribed below relating to the property vesting in the Treasurer under the order.

ACCOUNTS OF SECURITIES FOR MONEY.

4. On the receipt of any securities for money, or on their purchase by himself, the Treasurer will record their receipt in a register in Form No. 1. He will also keep a separate account for each Endowment in Form No. 2, in which he will record all receipts, including any amounts sent for investment, and all disbursements. In the Cash Account the Treasurer will record only his own transactions (such as the payment of the money to the administrators), not the transactions of the administrators of the Endowment Fund.

5. The Treasurer will keep a record in the appropriate columns of Form No. 1 of all securities returned by him. The return will also be entered in Form No. 2 where the amount returned will be deducted from the Capital of the Endowment concerned.

6. The Treasurer, on receipt of any interest on securities, will pass it through his General Trust Interest Account under a special sub-head "Interest on Charitable Endowments." The interest will then be distributed to the various Ledger Accounts Form 2, in which the gross amounts must be shown, any deductions for fees, etc., being shown as a charge and the payment of the balance to the administrators being also shown as a disbursement. The entries in the Ledger of interest received must be taken out and agreed annually with the total amount of interest drawn.

7. The register in Form No. 1 will show all securities vested in the Treasurer as such, whether actually held by him or by Honourable the Finance Member. In order to prove the balance actually held by the Treasurer in his own hands, a Balance Sheet in Form No. 3 will be made out annually and agreed with the actual securities in the Treasurer's possession; such agreement will be certified on the Balance Sheet.

Annexure] Charitable Endowments [Chapter 10 and other Trusts

8. The accounts of the interest and the annual agreement of Balance will be made at the times which the Government may direct for the publication of the list of properties held, and of the abstract of accounts.

PROPERTY OTHER THAN SECURITIES.

9. The Treasurer will enter in a register in Form No. 4 any property other than securities which becomes vested in him, and will record in the same register against the original entry a note of any property of which he is divested.

PUBLICATION OF LISTS AND ABSTRACT OF ACCOUNTS.

10. The list of properties vested in the Treasurer to be published shall be in Form No. 5. Part I will relate to properties other than securities, Part II will relate to securities and will also contain the abstract of accounts required to be published. The Treasurer will demand and receive acknowledgements from the administrators of the correctness of the Balances when published.

FORM 1.

(ANNEXURE PARA. 7)

Register of Securities

Left.

Serial No.	Date of receipt	Name and brief description of charitable Endowment	PARTICULARS OF SECURITIES RECEIVED					
			From whom received	No. and date of forwarding letter	Nature of securities <i>e.g.</i> , Govt. Securities 6 per cent. Loan 1852 F. etc., etc.,	Distinguishing number of each security	Nominal value of each security	Total nominal value of each separate endowment
1	2	3	4	5	6	7	8	9

Right.

Ledger folio	RETURN OF SECURITIES						Initials of the Treasurer or Assistant in-charge	Remarks
	Date	To whom sent	Authority for return	No. and date of acknowledgment	Nominal value of each security	Quarter in which deducted from balance		
10	11	12	13	14	15	16	17	18

N.B.—The amount in column 9 will be totalled each quarter; the total of amounts returned during the quarter with a note of the serial numbers to which they appertain, will be deducted, and the balance worked out and carried forward to the next quarter.

FORM 2.

(ANNEXURE PARA. 7)

Ledger Account of Securities

1. Name of Endowment. 2. Particulars of vesting order. 3. When vested in Treasury
4. Names of Administrators. 5. To whom interest is to be sent.

PART I.—ACCOUNT OF CAPITAL

Serial No. in Form 1	Particu- lars (e.g. received or re- turned)	Details of securi- ties (distinguishing number)	VALUE OF EACH SECURITY (SEPARATE COLUMN FOR EACH KIND)					Amount of half- yearly interest	Date to which interest has been paid on receipt	Initials of Treasurer or Assistant in-charge
			6 per cent. loan of 1352							

N.B.—The Balance of the value columns must be worked out on every day on which there is a new entry.

PART II— CASH ACCOUNTS

RECEIPTS				EXPENDITURE			
Date	Particulars	Page of Trust Interest Fund Cash Book	Amount	Date	Particulars	Page of Trust Interest Fund Cash Book	Amount

N.B.—To be closed annually to balance. The transactions will not be numerous. A few pages of the ledger (ruled only for the cash Account) may be left for each account, so that the account may be carried on for several years without opening a fresh ledger Account.

FORM 3.

(ANNEXURE PARA. 11)

Balance Sheet of Securities

Particulars	NUMBER AND VALUE OF SECURITIES				
	6% loan of 1852 F.		(A pair of columns for each different kind of security held)	Total	
	No.	Value		No.	Value
Opening Balance (from last year). Received during year (Total must agree with form.)					
Grand Total (a) ..					
Returned during year.					
Total transferred or returned (b).					
Closing balance [difference between (a) and (b)]					

Certified that the above closing balance has been compared with the securities in Treasurer's possession, and has been found to agree both as to number and value.

(ANNEXURE PARA. 18).

Register of Properties, other than Securities.

[illegible]

FORM No. 5.

(ANNEXURE PARA. 14),

List and Abstract Account of Properties.

PART I.—LIST OF PROPERTIES, OTHER THAN SECURITIES.

Serial No.	PARTICULARS OF VESTING ORDER		Name of Endowment	Administrators of property	PROPERTY HELD			Remarks
	No.	Date			Description	Value	Annual in- come if known	
1	2	3	4	5	6	7	8	9

CHAPTER 11.—CHECK OF BUDGET ESTIMATES AND WATCH OVER EXPENDITURE.

ESTIMATES.

148. The responsibility for the preparation of the statement of Estimated Revenue and Expenditure which is laid before the Executive Council in each year, as well as any supplementary estimates or demands for excess grants lies with the Finance Department. The material on which such estimates are based, is obtained by that Department from the department concerned. The Accountant-General should however, render such assistance as may be required by Financial Department in the preparation of the Budget Estimates.

149. In reviewing or checking the Estimates the Accounts Department is expected to keep itself informed of all circumstances which will affect the Receipts and Expenditure of the Government. It should take into account all cases in which transfer adjustments with other Departments and Administrations, as well as transfer entries between different heads of account, have to be made in the accounts of the year to which the Estimates relate, *e.g.*, (1) Commuted value of pensions, (2) Jail charges recoverable from other Departments, (3) Overpayments and advances of previous year recoverable during the year or those of the year recoverable in the following year, (4) Adjustments between Diwani and other administrations; (5) Loss or gain by Exchange; (6) Distribution of the cost of Public Works establishments and tools and plant (*vide* Appendix 7 of the Hyderabad Public Works Account Code); (7) Transfer Entries referred to in Article 50, etc. etc..

WATCHING OF ACTUALS.

150. The duty of controlling the progress of Receipts and Expenditure as compared with the Budget devolves upon the Finance Department. Again that Department has to advise Departments responsible for the collection of Revenue regarding the progress of collection. In its discharge of these functions, the Finance Department

**151] Check of Budget Estimate [Chapter 11
and watch over Expenditure**

will look to the Accountant-General for information regarding the progress of actuals. Such information should be supplied in such form and on such dates as may be settled. It must be clearly understood that the authority administering a grant, and not the Audit Department, is ultimately responsible for keeping the expenditure within the grant.

1. All transactions which affect the Cash Balance seriously are important, though some may not be technically either revenue or charge.

2. To ensure that all periodical adjustments between the Diwani and other administrations and between the various departments are properly and promptly made, the Book Department should maintain a broad-sheet showing (1) all the Periodical Adjustments that are usually required to be made, (2) the name of the section responsible for making the adjustments (3) the month's accounts in which the adjustments should be made and (4) the actual date of adjustment. With the help of this register the Book Department will remind the Audit Sections concerned so as to ensure that as far as possible all adjustments are made before the close of the Aban final accounts. Any serious delays in making these adjustments on the part of the Audit Sections, should be brought to the notice of the Accountant-General by the Book Department.

151. The periodical returns which the Audit Officer has to submit, under Article 150, to the Finance Department as compared with the Budget, should be despatched punctually on the dates prescribed, or if any delay is anticipated, the Finance Department should be informed accordingly.

APPENDIX I.

(SEE ARTICLE 105).

Calculations of repayments of loans by equal instalments.

1. Let A be the amount of the advance ;
t, the number of periodical instalments by which it is to be repaid ;
p, the amount of each periodical instalment ;
r, the rate of interest per cent., during one instalment period
(that is if the instalments are to be annual, r is the rate per cent. per annum, if they are half-yearly, r would be the rate per cent. per half-year, 2 if the rate were 4 per cent. per annum, $2\frac{1}{2}$ if it were 5 per cent. per annum, and so on).

2. First : given A, r, and p ; to find t.

$$\text{then } t = \frac{2 + \text{Log. } p - \text{Log. } (100 p - A r)}{\text{Log. } (100 + r) - 2}$$

If this gives a fractional number like 25.324, it means that after 25 instalments are paid, there will still remain an outstanding equal to nearly .324 of an instalment to be repaid.

3. Second : given A, r, and t ; to find p.

First, find B by the equation :—

$$\text{Log. } B = t [\text{Log. } (100 + r) - 2]$$

$$\text{then } \text{Log. } p = \text{Log. } A + \text{Log. } r - \text{Log. } (100 B - 100).$$

4. Then annexed table shows the instalments by which a loan of one lakh of rupees will be refunded by periodical instalments in a given number of years, interest being calculated at 4, $4\frac{1}{2}$, $4\frac{3}{4}$, 5, $5\frac{1}{2}$, 6, $6\frac{1}{2}$, $6\frac{3}{4}$, 7, $7\frac{1}{2}$ and 8 per cent.

In the left hand column under each term interest is added, and recovery of the instalment is due half-yearly.

Per cent.	5 years		6 years		7 years	
4	22,468.00	11,132.20	19,076.19	9,455.96	16,660.96	8,260.20
4½	22,779.20	11,278.77	19,387.84	9,601.74	16,970.15	8,406.28
4¾	22,938.09	11,352.20	19,544.51	9,675.08	17,125.73	8,479.77
5	23,097.50	11,425.88	19,701.75	9,748.71	17,281.98	8,553.65
5½	23,417.60	11,574.00	20,017.90	9,896.90	17,596.40	8,702.50
6	23,740.00	11,728.00	20,336.30	10,046.20	17,913.50	8,852.60
6¼	23,901.30	11,798.00	20,496.30	10,121.30	18,073.00	8,928.20
6½	24,063.50	11,873.10	20,656.80	10,196.70	18,233.10	9,004.20
7	24,389.10	12,024.10	20,979.60	10,348.40	18,555.30	9,157.10
7½	24,716.50	12,176.10	21,304.50	10,501.20	18,880.00	9,311.10
8	25,045.60	12,329.00	21,631.50	10,655.20	19,207.20	9,466.90
Per cent.	8 years		9 years		10 years	
4	14,852.78	7,365.01	13,449.30	6,670.21	12,829.10	6,115.67
4½	15,160.97	7,511.67	13,757.45	6,817.72	12,637.90	6,264.21
4¾	15,316.20	7,585.58	13,912.80	6,892.14	12,793.70	6,339.22
5	15,472.18	7,659.90	14,069.01	6,967.01	12,950.46	6,414.71
5½	15,786.40	7,809.70	14,333.95	7,118.10	13,266.78	6,567.20
6	16,103.60	7,961.10	14,702.20	7,270.90	13,586.80	6,721.60
6¼	16,263.30	8,037.40	14,862.60	7,347.90	13,748.20	6,799.50
6½	16,423.70	8,114.01	15,023.80	7,425.40	13,910.50	6,877.90
7	16,746.80	8,268.50	15,348.60	7,581.70	14,237.70	7,036.10
7½	17,072.70	8,424.50	15,676.70	7,739.70	14,568.60	7,196.20
8	17,401.50	8,582.00	16,008.00	7,899.30	14,902.95	7,358.20

Per cent.	11 years		12 years		13 years	
4	11,414.90	5,663.14	10,655.22	5,287.11	10,014.37	4,969.90
4 $\frac{1}{2}$	11,724.82	5,812.82	10,966.62	5,438.02	10,327.54	5,122.10
4 $\frac{3}{4}$	11,881.34	5,888.47	11,124.02	5,514.36	10,485.95	5,199.19
5	12,038.89	5,964.66	11,282.54	5,591.28	10,645.58	5,276.88
5 $\frac{1}{2}$	12,357.07	6,118.60	11,602.90	5,746.90	10,968.43	5,434.10
6	12,679.80	6,274.70	11,927.70	5,904.70	11,296.00	5,593.80
6 $\frac{1}{4}$	12,841.90	6,353.60	12,091.70	5,984.50	11,461.60	5,674.60
6 $\frac{1}{2}$	13,005.50	6,432.90	12,256.80	6,064.90	11,628.80	5,756.00
7	13,335.70	6,593.20	12,590.20	6,227.30	11,965.10	5,920.50
7 $\frac{1}{2}$	13,669.70	6,755.50	12,927.80	6,391.90	12,306.40	6,087.50
8	14,007.60	6,919.90	13,269.50	6,558.70	12,652.20	6,256.70
Per cent.	14 years		15 years		16 years	
4	9,466.90	4,698.97	8,994.11	4,465.00	8,582.00	4,261.06
4 $\frac{1}{2}$	9,782.08	4,852.53	9,311.40	4,619.94	8,901.54	4,417.41
4 $\frac{3}{4}$	9,941.56	4,930.32	9,472.11	4,698.49	9,063.53	4,496.74
5	10,102.40	5,008.79	9,634.23	4,777.76	9,226.99	4,576.83
5 $\frac{1}{2}$	10,427.90	5,167.70	9,962.60	4,938.50	9,558.30	4,739.30
6	10,758.50	5,329.30	10,296.30	5,101.90	9,895.20	4,904.70
6 $\frac{1}{4}$	10,925.70	5,411.10	10,465.10	5,184.70	10,065.80	4,988.50
6 $\frac{1}{2}$	11,094.00	5,493.50	10,635.30	5,268.20	10,237.80	5,073.00
7	11,434.50	5,660.30	10,979.50	5,437.10	10,585.80	5,244.10
7 $\frac{1}{2}$	11,779.70	5,829.50	11,328.70	5,608.80	10,939.10	5,418.10
8	12,129.70	6,001.30	11,683.00	5,783.00	11,279.70	5,594.90

Per cent.	17 years		18 years		19 years	
4	8,219.85	4,081.87	7,899.83	3,923.29	7,613.86	3,782.06
4½	8,541.76	4,289.66	8,228.69	4,082.52	7,940.73	3,942.75
4¾	8,705.06	4,819.76	8,388.84	4,163.42	8,106.77	4,024.44
5	8,869.91	4,400.68	8,554.62	4,245.16	8,274.50	4,197.01
5½	9,204.20	4,564.90	8,892.00	4,411.10	8,615.00	4,274.80
6	9,544.50	4,732.20	9,235.70	4,580.40	8,962.10	4,445.90
6¼	9,716.80	4,817.00	9,409.80	4,666.20	9,138.00	4,532.80
6½	9,890.60	4,902.60	9,585.50	4,752.80	9,315.60	4,620.40
7	10,242.50	5,076.00	9,941.30	4,928.40	9,675.30	4,798.20
7½	10,600.00	5,252.30	10,302.90	5,107.10	10,041.10	4,979.20
8	10,962.90	5,431.50	10,670.20	5,288.70	10,412.80	5,163.20
Per cent.	20 years		21 years		22 years	
4	7,358.18	3,655.58	7,128.01	3,541.73	6,919.88	3,433.79
4½	7,687.62	3,817.74	7,460.06	3,705.36	7,254.57	3,603.90
4¾	7,865.05	3,900.22	7,628.91	3,788.64	7,424.84	3,687.97
5	8,024.25	3,983.62	7,799.61	3,872.88	7,597.05	3,773.04
5½	8,367.90	4,153.20	8,146.50	4,044.20	7,947.10	3,946.10
6	8,718.50	4,326.20	8,500.50	4,219.20	8,304.60	4,123.00
6¼	8,896.20	4,414.00	8,680.00	4,303.00	8,486.00	4,212.80
6½	9,075.60	4,502.80	8,861.30	4,397.80	8,669.10	4,303.60
7	9,439.30	4,682.70	9,229.90	4,579.80	9,040.60	4,487.80
7½	9,809.20	4,865.90	9,602.90	4,765.30	9,418.70	4,675.40
8	10,185.20	5,052.30	9,983.20	4,954.00	9,803.20	4,866.50

Per cent.	23 years		24 years		25 years	
4	6,730.91	3,345.34	6,558.68	3,260.18	6,401.20	3,182.82
4 $\frac{1}{2}$	7,068.25	3,511.92	6,898.70	3,428.83	6,743.91	3,351.84
4 $\frac{3}{4}$	7,239.97	3,596.78	7,071.87	3,513.89	6,918.51	3,438.27
5	7,413.68	3,682.68	7,247.09	3,600.60	7,095.25	3,525.80
5 $\frac{1}{2}$	7,767.00	3,857.50	7,603.60	3,777.20	7,454.90	3,704.10
6	8,127.85	4,036.30	7,967.90	3,957.80	7,822.70	3,886.50
6 $\frac{1}{4}$	8,311.10	4,127.10	8,152.90	4,049.60	8,009.50	3,979.30
6 $\frac{1}{2}$	8,496.10	4,218.80	8,339.80	4,142.30	8,198.10	4,073.00
7	8,871.40	4,405.10	8,718.90	4,330.60	8,581.00	4,263.30
7 $\frac{1}{2}$	9,253.50	4,594.90	9,105.00	4,522.60	8,971.00	4,457.40
8	9,642.00	4,788.20	9,497.80	4,718.10	9,367.90	4,655.00

Per cent.	26 years		27 years		28 years	
4	6,256.74	3,110.91	6,123.85	3,045.23	6,001.30	2,984.66
4 $\frac{1}{2}$	6,602.14	3,281.88	6,471.95	3,217.65	6,352.08	3,153.53
4 $\frac{3}{4}$	6,778.19	3,369.10	6,649.44	3,305.65	6,531.02	3,247.29
5	6,956.43	3,457.45	6,829.19	3,394.80	6,712.25	3,337.24
5 $\frac{1}{2}$	7,319.30	3,637.40	7,195.23	3,576.50	7,081.40	3,520.60
6	7,690.40	3,821.70	7,569.70	3,762.60	7,459.30	3,708.40
6 $\frac{1}{4}$	7,879.00	3,915.40	7,760.00	3,857.20	7,651.30	3,804.00
6 $\frac{1}{2}$	8,069.50	4,010.10	7,952.30	3,952.30	7,845.30	3,900.60
7	8,456.10	4,202.40	8,342.60	4,117.10	8,239.20	4,096.70
7 $\frac{1}{2}$	8,850.00	4,398.50	8,740.20	4,345.20	8,640.50	4,296.80
8	9,250.70	4,598.20	9,144.80	4,546.90	9,048.90	4,500.50

Per cent.	29 years		30 years			
4.	5,887.99	2,928.67	5,788.01	2,876.80	..	..
4 $\frac{1}{2}$	6,241.46	3,103.98	6,139.15	3,053.53	..	..
4 $\frac{3}{4}$	6,421.83	3,193.50	6,320.95	3,143.82	..	..
5	6,604.55	3,284.24	6,505.15	3,235.34	..	..
5 $\frac{1}{2}$	6,976.90	3,469.30	6,880.50	3,422.00	..	..
6	7,358.00	3,658.80	7,264.90	3,613.80	..	..
6 $\frac{1}{4}$	7,551.70	3,755.30	7,460.30	3,710.60	..	..
6 $\frac{1}{2}$	7,747.40	3,852.80	7,657.70	3,809.00	..	..
7	8,144.90	4,050.80	8,058.60	4,008.90	..	..
7 $\frac{1}{2}$	8,549.80	4,252.80	8,467.10	4,212.70	..	..
8	8,961.90	4,458.40	8,882.70	4,420.20	..	..

APPENDIX 2.

(SEE ARTICLE 106).

Calculation of interest for broken periods.

1. The following is a general rule for the calculation of interest for broken periods :—

Let r be the rate of interest per cent. per annum ;

M , the number of rupees ;

N , the number of days.

Take $\frac{1}{4}$ of $\frac{11 \times r \times M \times N}{1,00,000}$ rupees and subtract 6 annas for every Rs. 100.

Example : Interest Rs. 20,000 at 4 per cent. for 128 days.

$$\frac{1}{4} \text{ of } \frac{11 \times 4 \times 20,000 \times 128}{1,00,000} = 281.2$$

Subtract 6 annas $\times 2.8$.. 1.1

Result Rs. 280.1

This result is correct to the nearest anna, unless it exceeds Rs. 2,500, which it can do only very rarely. In such case the further correction must be applied of adding one anna for every Rs. 5,000 : that is, one anna for sums of Rs. 2,500 to Rs. 7,500, two for sums of Rs. 7,500 to Rs. 12,500, and so on.

2. The interval from one date to another may be found from the following rule :—

In writing the date, substitute for the month the following number.

Azur	0	Khurdad	181
Dai	30	Thir	212
Bahman	59	Amardad	248
Isfandar	89	Shahrewar	274
Farwardi	119	Meher	305
Ardibehisht	150	Aban	335

and the question becomes one of simple subtraction :—

e. g.—Interval from Farwardi 5th to Shahrewar 16 :

From Shahrewar 16th or $274 + 16 = 290$

Subtract Farwardi 5th or $119 + 5 = 124$

Interval 166 days.

3. If the second date, however, is in the next year, 365 must be added to its number :—

e. g.—Interval from Shahrewar 16th to Farwardi 5th :

From Farwardi 5th .. $119 + 5 + 365 = 489$

Subtract Shahrewar 16th .. $274 + 16 = 290$

Interval 199 days.

4. The occurrence of the date, Dai 30, hardly affects the result of the calculations, and the consideration of it may be neglected.

ACCOUNT CODE FORMS.

No. of Form	Name of Form
1	Detail Book
2	Consolidated Abstract
3	Transfer Entry
4	Transfer Entry Number Book
5	Combined Transfer Ledger and Abstract
6	Journal
7 and 8	Ledger
9	Trial Balance Sheet
10	Abstract Statement of Bills outstanding
11	Capital and Revenue Accounts of Residences
12	Administrative Accounts of Irrigation works

MINOR HEAD ()

[illegible]

FORM No. 3.

(SEE ARTICLE 55.)

No. of statement () Section () Dated 18 F.
 (Statement of transfer entries) Serial No. () of the Compilation
 Branch.

Signature of classified Abstract poster of Compilation branch	Debit	Minus	Items	Plus	Credit	Signature of classified Abstract poster of compilation Branch
1	2	3	4	5	6	7

FORM No. 4.

(SEE ARTICLE 55.)

Section.....

18 F.	No. of statement	Continua- tion No. of the Com- pilation Branch	Initials of the compi- lation branch auditor

FORM No. 9.

(SEE ARTICLE 77.)

Trial Balance Sheet.

Section	Name of Account	L. Folio	AMOUNT	
			Detail	Total

FORM No. 10.

(SEE ARTICLE 96.)

*Abstract Statement of Bills * Outstanding on 30th Aban 13 F.*

District drawing †	OUTSTANDING ON ACCOUNT OF			Total out- standing
	13 F.	13 F.	13 F.	

* Insert Supply Bills or Remittance Transfer Receipts.

† The monthly details of each district should be filed with the office copy of the statement.

(SEE ARTICLE 122)

13. Falsi.

[illegible]

(SEE ARTICLE 122)

13 *Fasli.*83

FORM No. 12.

(SEE ARTICLE 128)

ADMINISTRATIVE ACCOUNTS

Part I.—General Abstract of Financial Results of Irrigation Works for which separate Revenue Accounts are kept for the year 18 P.

Name of Projects	COST OF CONSTRUCTION AS NOW ESTIMATED			Date of closure of construction estimate or in the case of works under construction, date of sanction	CAPITAL OUTLAY							Accumulated arrears of simple interest to end of the year	Total capital invested to end of the year (Cols. 11 and 12)
	Direct charges	Indirect charges	Total		DURING THE YEAR		TO END OF THE YEAR						
					Direct charges	Indirect charges	Total	Direct charges	Indirect charges	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	

FORM No. 12—(Contd.)

(SEE ARTICLE 128)

ADMINISTRATIVE ACCOUNTS

Part I.—General Abstract of Financial Results of Irrigation Works for which separate Revenue Accounts are kept for the year 18 F.

GROSS RECEIPTS DURING THE YEAR			WORKING EXPENSES AND MAINTENANCE DURING THE YEAR INCLUSIVE OF INDIRECT CHARGES					Net Revenue Surplus + Deficit —	Percentage on capital outlay column 11 Gain "G" Loss "L"	Simple interest for the year as detailed in part IV	Net gain	Net loss	PERCENTAGE OF NET REVENUE (COLUMN 20) ON CAPITAL INVESTED (COLUMN 13)			Prescribed rate of interest as test of productivity	Remarks
Direct receipts	Portion of land revenue due to works	Total	Direct charges	Indirect charges	Total	During	During						During				
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		

FORM No. 12—(Contd.)

.....PROJECT

Part III.—Revenue Account for and to end of year 18 F.

Date of closing of construction estimate

GROSS RECEIPTS				GROSS WORKING EXPENSES				
Minor heads	TOTAL			Heads of Account (Minor and Service heads)	TOTAL			Remarks
	To end of previous year	During year	Total		To end of previous year	During year	Total	
1	2	3	4	5	6	7	8	9
Direct receipts	Direct charges	..	..	..
Total Direct receipts	Total Direct charges ..	..	..	..
Portion of land revenue due to works	Indirect charges as per part V ..	..	..	..
Total gross receipts	Gross charges ..	..	..	..
Net deficit (if any)	Balance net revenue ..	..	..	..
Grand Total..	Grand Total..	..	..	..

FORM No. 12—(Contd.)

.....PROJECT

Part IV.—Interest Account for and to end of year 13 F.

Interest	Amount	Net Revenue	Amount
Total interest to end of previous year	Net Revenue realised to end of previous year as per part III	..
Interest charges for the year	Net Revenue realised during year as per part III	..
Total interest to end of year	Total net Revenue realised to end of the year as per part II	..
**Balance	**Balance .. ..	..
Total	Total .. ..	..

**Balance will be entered on the Interest or the net revenue side as may be necessary.

FORM No. 12—(Contd.)

.....PROJECT

Part V.—Account of Indirect Charges for and to end of year 13 F.

Particulars	AMOUNT		
	To end of previous year	During year	Total
<i>Capital Account.</i>			
Capitalised abatement of land revenue
<i>Leave and pensionary charges.</i> ..			
Audit and Accounts—Establishment
Total Capital Account
<i>Revenue Accounts.</i>			
Capitalised abatement of land revenue
<i>Leave and pensionary charges.</i>			
Audit and Accounts—Establishment
Total Revenue Account

FORM No. 12.—(Concl'd.)

.....PROJECT

Part VI.—Statement comparing Capital Cost to end of 18 F. with sanctioned Estimates.

Particulars	CHARGES AGAINST CLOSED SANCTIONS			CURRENT SANCTIONS			Total charges to date against old and current sanctions	Remarks
	Expenditure against construction estimate	Expenditure against open capital sanctions	Total	Charges to date	Amount of sanctioned estimate	Unspent balance		

INDEX

This index deals only with the rules in the several chapters and does not cover the appendices or the forms. It has been compiled solely for the purpose of references. No expression used in it should be considered as in any way interpreting the rules.

A.	Articles.	A.—(contd.)	Articles.
<i>Aban Account.</i> —	•	Loans and advances.	
Preliminary and final ..	43	See Loans and Advances.	
<i>Abstract of transfer entries.</i> —		Aban—, preliminary and final	43
See combined Transfer Ledger and Abstract.		Outlines of the system of— ..	5
<i>Account Code.</i> —		Prescribing of new returns ..	17
Extent of application of— to different Audit Officers	Preface.	Pro-forma ;	
<i>Accounts.</i> —		See Pro-forma accounts	
Accounts Current—		Prohibition of alterations in—	46
See Accounts Current.		Transfer Entries ;	
Accounts of Charitable Endowments ..	Annex. to Chapter 10	See Transfer Entries.	
Accounts with other Audit Circles, etc.—		<i>Accounts Current.</i> —	
See Accounts Current		Account should be agreed with Consolidated Abstract and Ledger ..	28
Administrative—of Irrigations Works, etc ..	127-143	Debits for amounts due on warrants, credit notes and for supplies should be accepted at once ..	28
Capital and Revenue—for Irrigation Works ..	127-143	Inter-departmental adjustments See Inter-departmental adjustments.	
Capital and Revenue—of residences ..	115	List of authorised— ..	29
<i>Accounts.</i> —		Original entry, defined ..	24 Rule 1
Classification of—		Progress Register ..	30
See Classification of Accounts		Original item, term defined ..	24 Rule 1
Consolidated Abstract :		Responding entry, defined ..	24 Rule 1
See Consolidated Abstract		Responsibility of Audit Officers for adjustment of items of—	7
Correcting or additional entries made after despatch of the final Aban ..	44	Watching of adjustments ..	30
Corrections in accounts ..	46 & 51	<i>Accounts with other Audit Circles.</i>	
Detail Book :		Classes of accounts explained ..	21
See Detail Book		Conditions under which transactions may be transferred from one Audit Circle to another ..	19
Form of—kept in Audit Office, determined by Accountant-General ..	3	How transfer of a transaction is effected ..	20
Form of initial—determined by Accountant-General ..	2	Inter-departmental adjustments.	
General duties of Audit officers in respect of— ..	7, 8	See Inter-departmental adjustments	
General outlines of the system of Government ..	5, 6	Responsibility of Audit Officers	7 (2)
Inter-departmental adjustments			
See inter-departmental adjustments.			

INDEX

A.—(contd.)	Articles.	A.—(contd.)	Articles.
<i>Adjustments.</i>		<i>Audit Officer.—</i>	
—by Transfer Entry		Duties of—as an accounting officer 7, 8	
See Transfer Entries		Main duties of—as an accounting officer 7	
Inter-departmental—		Personal responsibilities for account 8	
Rules concerning— See Inter-departmental adjustments		Progress of expenditure on works met from loans granted by Government should be intimated to the Government. 104	
<i>Administrative Accounts of Irrigation Works, etc.</i>		References by—on matters of classification and accounts should by addressed to Accountant-General .. 18	
Examiner should prepare— annually 127		Responsibility as Treasurer of Charitable Endowments .. 144-147	
Account of capital .. 132-135		Responsibility for accounts of transactions in which Government is debtor or creditor .. 8	
Account of indirect charges : procedure and form .. 139, 140		Responsibility for accuracy of accounts, etc 8	
Account of interest :		Responsibility for collecting accounts of the Audit Circle. 7	
Calculation of interest .. 138		Responsibility for exchanging accounts with other Audit Officers 7, 8	
Form of account 137		Responsibility for intimating the progress of actuals as compared with estimates to certain authorities .. 150	
Account of revenue .. 136		Responsibility for maintaining details of outstanding balances 14	
Classification of projects .. 130		Responsibility for maintaining, Journal and Ledger, etc. .. 18	
Comparison of capital cost with sanctioned estimates .. 141, 142		Responsibility for maintenance of certain pro-forma accounts 16	
Date of opening of revenue account of projects .. 136 Rule 1.		Responsibility for making up a monthly account of the Audit unit and its submission to the Compilation Branch .. 7 (3)	
Exclusion of charges under suspense .. 136 "		Responsibility for making up the year's account of the whole State and its submission to the Compilation Branch .. 5(d), 7(3)	
<i>Exhibition of charges of Establishment and Tools and Plant</i>		Responsibility for preparing or checking budget estimates .. 148-149	
in— .. 132 .. 1		Responsibility for preparing pro-forma accounts of irrigation works, etc. .. 127	
.. 136 .. 2		Responsibility for preparing pro-forma accounts of residences 115	
Financial results 131		Responsibility for rendering assistance in the preparation of budgets 148	
Form 128			
Inclusion of survey charges .. 133			
Review of— 143			
Scope of— 127-129			
<i>Submission of—to :—</i>			
Finance Department .. 143			
Suggestions for changes in classification of projects .. 143			
Suggestions to effect economies or to develop the revenue .. 143 Rule 1			
<i>Advances.</i>			
Permanent :—balances how verified 90			
See also Loans and Advances.			
<i>Advances and Loans—</i>			
See Loans and Advances.			
<i>Annual Transfers.</i>			
Allowed in certain specified cases 50			

INDEX

A.—(concl'd.)	Articles.	B.—(cont'd.)	Articles.
Responsibility for reviewing and checking of budget estimates	149	<i>Budget.</i> —	
Responsibility for reviewing of balances	14, 81	Accountant-General renders assistance in the preparation of—	148
Responsibility for submission of a copy of his review of balances to Accountant-General	14, 81	Instructions for reviewing and checking of—	149
Responsibility for watching of actuals as compared with budget	150	Responsibility for preparation of—rests with Finance Department	148
Responsibility for watching outstandings in accounts with other Audit Officers, etc.	80	Responsibility for watching of Expenditure against—estimates and grants	150
Responsibility to direct the matters out of which the accounts arise	8	C.	
Review of balances should be taken up by—personally	81	<i>Capital and Revenue Accounts of Residences.</i> —	
Submission of new accounts returns to—prescribed by Accountant-General	17	Account of furniture and installations	121
<i>Accountant-General.</i> —		Accounts prepared by circles of superintendence	125
Annual account of Audit unit is submitted to—	7 (8)	Calculation of capital cost of residences forming part of offices	123 Rule 1
Audit Officers should submit their review of balances to—	14, 80	Calculation of interest charges	124
Communications regarding the classification of receipts and charges, forms and procedure of accounts should be addressed to—	18	Charges for establishment and tools and plant are not included in capital cost of buildings	123
Detailed rules for pro-forma accounts require the approval of—	16	Classes of buildings excluded from—	116
Directs the closing of the Ledger and Journal	72	Data for—furnished by Divisional Officers	122
Important changes in the prescribed forms and procedure should be referred to—	4	Date of submission to F.D.	126
Maintains Journal and Ledger	12	Form	122
Prescribes the form in which the accounts should be kept in Audit Offices	3	Intended to ascertain financial results and adequacy of rents	115
Prescribes the form of initial accounts and of accounts rendered to the Audit Office	2	Personal responsibility of Gazetted Officer checking the accounts	126 Rule 2.
Prescribing the submission of new accounts returns to Audit Office requires the approval of—	17	Review of—	126
Trial Balance sheet : certificate of completion submitted to	77	Scope of—	116-120
Trial Balances sheet : copy of that for the 4th quarter submitted to—	77	Suggestions for revision of rents	126
B.		Suggestions regarding the suitability of rules for fixing rents, etc.	126
<i>Bills.</i>		Year from which capital and revenue accounts of a residence are opened	119
Classes of—	94	<i>Cash Balance.</i> —	
Verification of balances of—	94-96	Verification of—	97
		<i>Cash Remittances.</i> —	
		Verification of balances of—	92
		<i>Certificate.</i>	
		Trial Balance :	77

INDEX

C.—(contd.)	Articles.	C.—(contd.)	Articles.
<i>Charitable Endowments.</i> —		<i>Correspondence.</i> —	
Balance sheet of— .. Chapter 10 Annex. para. 7		References regarding the classification of transactions and the form and procedure of account should be addressed to the Accountant-General .. 18	
Duties of Accountant-General as Treasurer of— .. 144-147		D.	
Form of Register of Securities Chapter 10 Annex. para 4		<i>Dates.</i>	
Ledger account of securities .. Chapter 10 Annex. para 4.		Interval between one date and other how reckoned for calculation of interest .. App. 2	
List and abstract account of properties .. Chapter 10. Annex. para. 10		<i>Debt Heads.</i> —	
Register of properties .. Chapter 10. Annex. para. 9		Annual report of balances to the Finance Department .. 80	
Rules for— .. Annex. to Chapter 10.		Closed to balance .. 75	
		Ledger is kept for— .. 64	
<i>Classification of Accounts.</i> —		<i>Defaults.</i> —	
—of joint establishment, etc 50 (g)		—in repayments of loans to be reported to the Finance Department .. 113	
Preliminary—in some cases purposely erroneous .. 47 Rule 1		<i>Departmental Accounts.</i> —	
Questions relating to—to be referred to Accountant-General .. 18		Are rendered to the Audit office and consolidated there under appropriate heads of account 5 (d) & (e)	
Transactions are either classified in the Audit Office, or the accuracy of the classification made by departmental officers is checked in the Audit Office .. 5 (d)		<i>Deposits.</i> —	
<i>Combined Transfer Ledger and Abstract.</i>		Verification of balances of— 87, 88	
Closing and abstracting .. 62		<i>Deposits of Local Funds.</i> —	
Form and use of— .. 57, 60		Verification of balances of— 84	
Consolidated Abstract— ..		<i>Deposits of Service Funds.</i> —	
Abstracts for Aban final .. 43		Verification of balances of— 86	
Corrections due to Journal entries .. 44		<i>Detail Book.</i> —	
Drawing up of the general statement of account .. 42		Alterations after closing not permissible .. 46	
Due date of closing .. 43		Arrangement of the heads of account .. 35	
Form of— .. 40		Binding of— .. 37	
Heads of account opened in— 40		Checking of postings .. 38	
Minus entries posted in red ink 41		Closing of— .. 39	
Adjustments effected after closing of abstracts for Aban final .. 44		Form of— .. 35	
Progressive totals .. 40		List of heads of account opened in— .. 36	
Prohibition of alterations after closing of— .. 46		Monthly closing entries .. 39	
Totals of major heads .. 40		Object of the— .. 34	
		Posting of transfer entries .. 62	
		E.	
		<i>Endowments, Charitable.</i> —	
		See Charitable Endowments.	

INDEX

F.	Articles.	I.—(contd.)	Articles.
<i>Finance Department.</i>		Railways debits for amounts due on warrants and credit notes should be accepted at once	23
Accountant-General renders assistance to—in preparing the Budget estimates ..	148	Responsibilities of Audit Officer for adjusting a charge transferred by another Audit Officer	25-27
Accountant General renders assistance to—in watching of actuals against, grants ..	150	Responsibilities of a department paying on behalf of another	25
Accounts of receipts, charges and balances :		J.	
See Accounts of Government Administrative Accounts of Irrigation works, etc., submitted to—	143	<i>Journal and Ledger.</i>	
Capital and Revenue Accounts of residences submitted to—	125, 126	Classification of accounts for purposes of Ledger	64
Defaults in payments of loans and advances to be reported to—	113	Closed on receipt of orders from Finance Department	72, 76
Watching of expenditure on works constructed out of loans granted by—	104	Compilation Branch maintains Forms of Ledger	12
G.		Forms of Ledger	63
<i>Government Accounts.—</i>		Form of Journal	63
See System of Accounts ..		How closed	72-75
<i>Government in the Finance Department.—</i>		How opened	65-67
Custodian of the Public account	1	Journal closed annually	76
Prescribes the procedure to be followed for the payment into and the withdrawal, transfer or disbursement of moneys from the Public Account ..	1	Ledger posted monthly from Abstract of Major Head Totals	71
I.		Monthly entries, how Journalised	68-70
<i>Interest.—</i>		No entries should pass into the books which have not appeared in the regular accounts: Exceptions	10
Annual transfer entries for—	50	Responsibilities of Audit Officers for maintaining books	9
Defaults in payment of—	113	Submission of copy of Trial Balance sheet to Finance Department	77
—for any half year or year due at the end of that period ..	109 Rule 1	Trial Balance sheet prepared quarterly	77
Loans bear interest for the day of advance but not of repayment	106 Rule 1	Verification of balance	80
Procedure for calculation of—	106 App. 2	Writes-off from balanced heads not permissible; Exceptions	13
<i>Inter-departmental Adjustments.—</i>		Writes-off should be shown in the Review of Balances ..	13, Rule 1
Action to be taken when a voucher is not in order or is missing	26	L.	
Conditions under which adjustments are permissible	19	<i>Loans and Advances.—</i>	
How a transfer is adjusted in accounts	20	Account how made up and copy sent to debtor	110, 111
Original credits or debits should precede the responding debits and credits: Exceptions ..	24	Annual returns.	
		Calculation of repayments by equal instalments ..	105, App. 1
		Defaults to be watched and reported	113

INDEX

	Articles.		Articles.
Form and posting of subsidiary register ..	105, 106	<i>Reports of the progress of actuals.—</i>	
Interest how reckoned ..	103 (iv), 105, 106, App. 2	Furnished to the authorities responsible for watching of actuals ..	150
Kinds of loans ..	101	<i>Review.—</i>	
Loans expenditure by the Public Works Department ..	107, 108	—of adjustments of accounts current transactions ..	30
Procedure in issuing loan money ..	103	—of administrative Accounts of Irrigation works, etc. ..	134
Repayments how watched ..	112	—of Balances :	
Separate ledger head for each class of ..	102	See Review of Balances ..	
Verification of balances ..	85	—of Budget estimates ..	149
O.		—of Capital and Revenue Accounts of Residences ..	126
<i>Objections.—</i>		—of transfer entry number books ..	54
Exchange account—and their adjustments ..	30, 31	<i>Review of Balances.—</i>	
P.		Abstract statement of bills outstanding ..	96
<i>Permanent Advances.—</i>		Annual report drawn up by Accountant-General ..	15
Verification of Balances, of—	91	How prepared and when due ..	80, 81
<i>Personal Deposits.</i>		Reconciliation of discrepancies noticed, and reports to F.D. ..	82
Balances how verified ..	88	Responsibility of Audit Officer for maintaining details of balances ..	14
<i>Progress Register.—</i>		Responsibility of Audit Officer for personally reviewing the balances and submitting a report to Accountant-General ..	14, 80
Maintenance of—relating to Exchange accounts ..	30	Verification of balances of : Advances for payment of land taken up ..	90 Rule 1
Pro-forma Account (s)		Advances Recoverable and Suspense account ..	89, 90
Detailed rules for—framed by Audit Officer with approval of Accountant-General ..	16	Cash balances ..	97
Intended to determine the financial results of projects, schemes, etc. ..	16	Cash Remittances ..	92
—of certain classes of works of Public Works Department ..	114	Deposits ..	87
—of Irrigation Works etc. ..	127–143	Deposits of Local Funds ..	84
—of residences ..	114–126	Deposits of Service Funds ..	86
Public Works Balances—		Loans and Advances ..	85
Verification of— ..	98, 99	Permanent advances ..	91
Public Works Remittances ..		Personal deposits ..	88
Verification of balances of— ..	93	Personal Ledger Accounts ..	88
R.		Public Works Remittances ..	93
<i>Remittance Heads.—</i>		Supply Bills and Remittances Transfer Receipts ..	94–96
Balances, how verified ..	88, 92, 93	Takavi Works Advances ..	99
Close to Balance ..	75	Writes-off from balanced heads should be shown separately ..	13, Rule 1
Ledger should be kept for—	46		

INDEX

S.	Articles.		Articles.
Subsidiary Loan Register ..	105, 106	Not necessary for certain errors	46 (b) 51 (a)
<i>Suspense Accounts.</i>		Note in Departmental Classified Abstract ..	61
Verification of balances of—	89	Numbering of— ..	54
<i>System of Accounts.—</i>		Object of transfer ..	47
General outlines explained ..	1-6	Posting in Detail Book ..	61-62
Pro-forma accounts kept for undertakings of quasi-commercial character ..	16	Procedure for correction of accounts ..	51
T.		Procedure for proposing, accepting and recording of—	52, 58
<i>Transfer Entries.</i>		Prohibition of alterations in accounts ..	46
Abstracting of entries ..	57-60	Scrutiny of Transfer Entry Number Book by Gazetted Officer and by Superintendent ..	54
Annual transfers allowed only in certain specified cases ..	50	Sundry heads should not appear on both sides ..	48
Combined Transfer Ledger and Abstract ..		V.	
Closing and Abstracting ..	62	<i>Verifications of Balances</i>	
Form and use ..	58-60	See Review of Balances	
Deduct entries necessary in certain cases ..	53, Rule 1	W.	
Entries should be made regularly ..	49	<i>Watching of Actuals.—</i>	
Forms used ..	55-56	Responsibility for ..	150
Grounds of correction should be stated in— ..	48	<i>Writes-off.—</i>	
Maintenance of a list of adjustments to be made periodically ..	49	—from balance heads to Government not permissible : Exceptions ..	13

NOTE OF POSTING OF CORRECTIONS.

Serial Num- ber of correc- tion	Rule affected	Date of posting	Serial Number of cor- rection	Rule affected	Date of posting	Serial Number of cor- rection	Rule affected	Date of post- ing

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